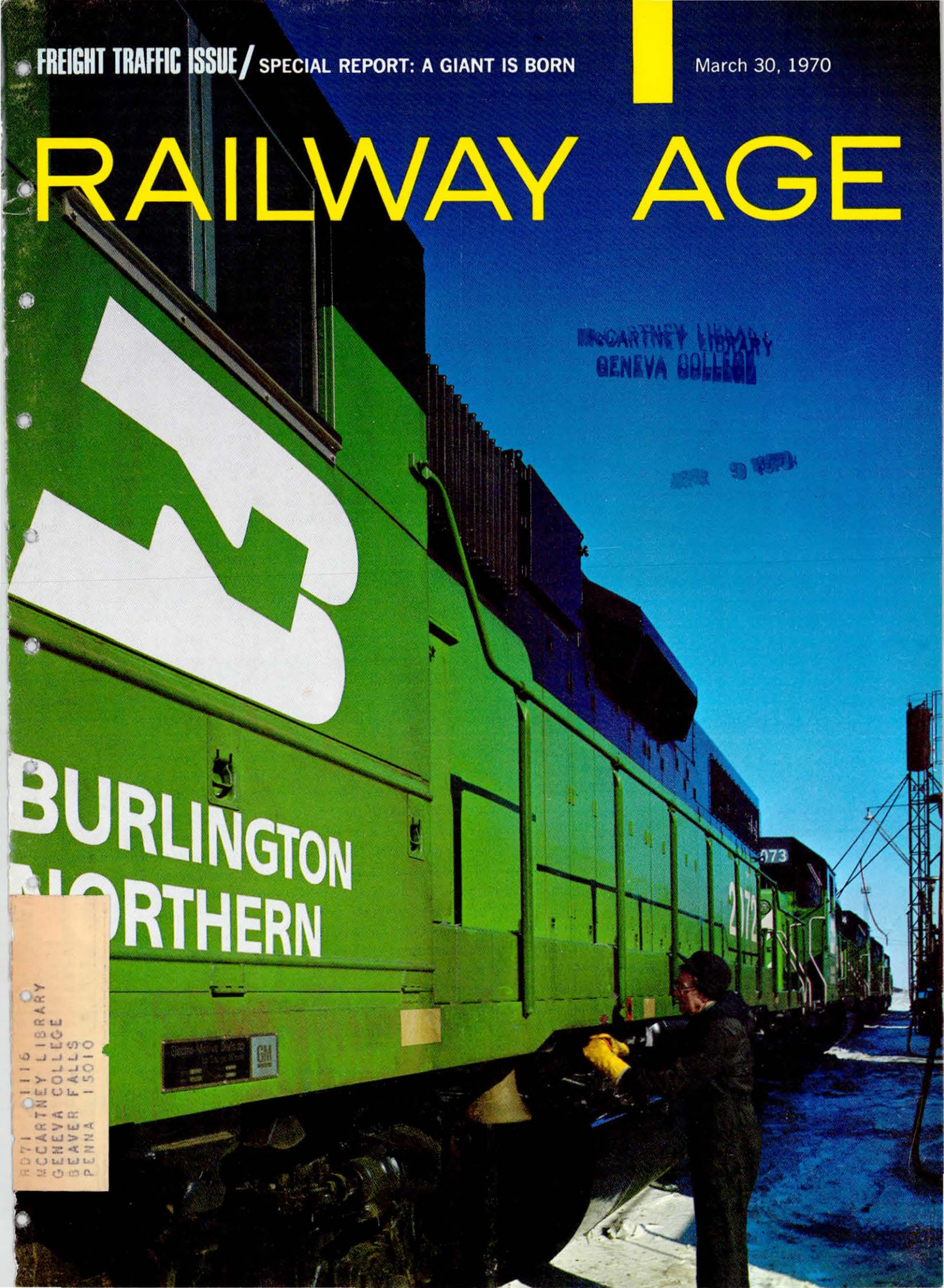
FREIGHT TRAFFIC ISSUE / SPECIAL REPORT: A GIANT IS BORN

March 30, 1970

RAILWAY AGE



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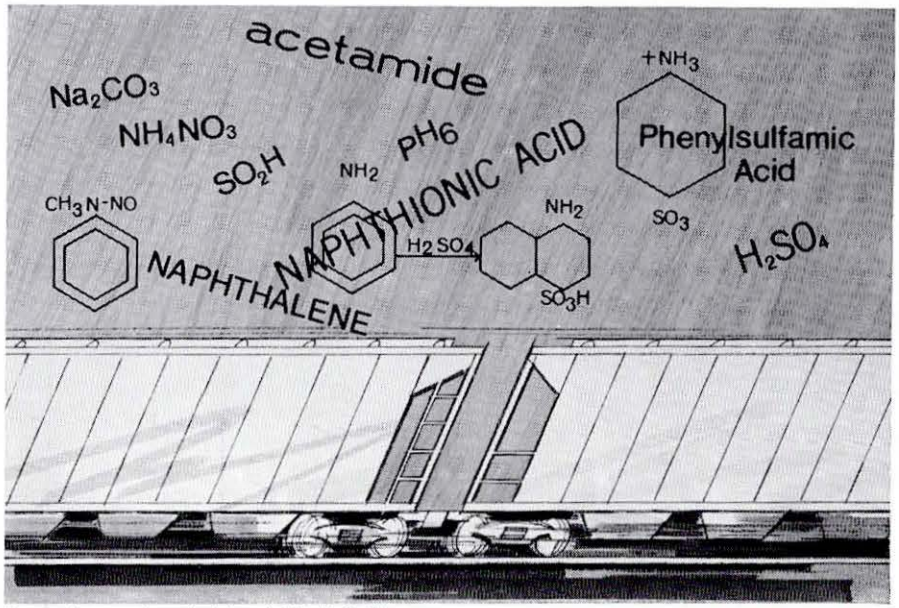

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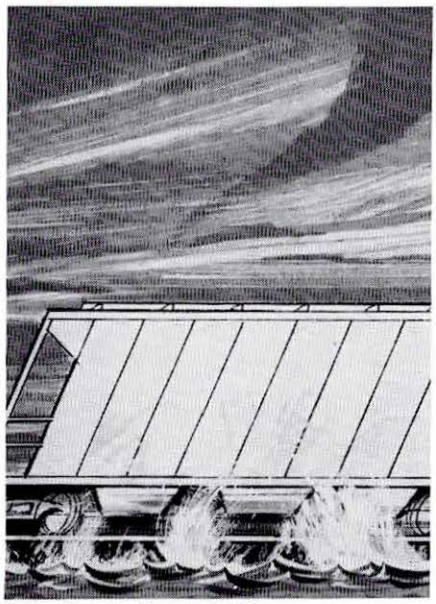
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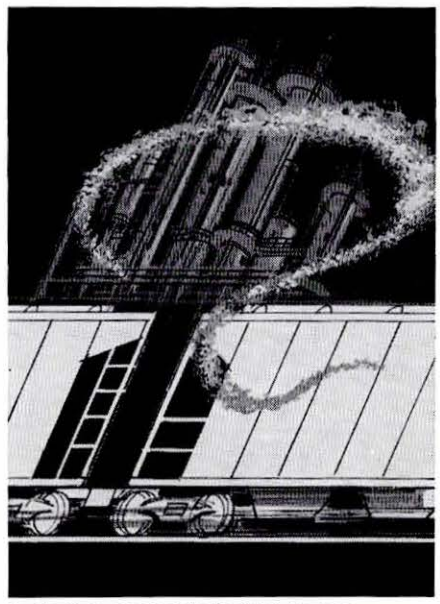
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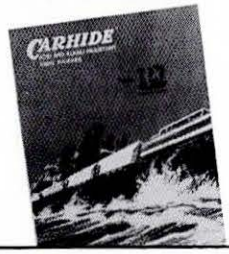

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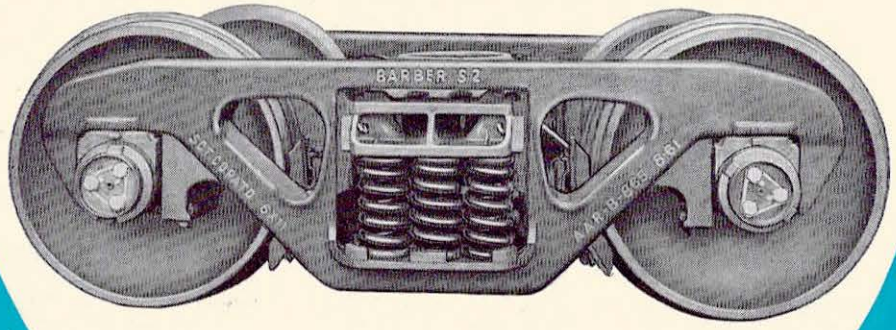

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RAILWAY AGE

March 30, 1970 • Vol. 168, No. 5

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Inside

LUTHER MILLER

LET'S NOT GO OVERBOARD

Q. Did you ever hear so much gloomy talk about the railroad business?

A. Yes. Dip into the bound volumes of Railway Age for the last hundred years—any volume, any year—and you'll find that the railroads, at just about any point in time, were considered by the Cassandras of the day to be going down for the third time.

They didn't go down, nor are they going down now. To quote a recent comment by General Steel Industries President W. Ashley Gray, Jr., out of context but very much to the point: "There's no reason to jump for the lifeboats."

At a time when so many people *are* going overboard into the seas of gloom, it is well to remember that there is still more good news than bad—if you only know where to look for it. One place to look for it is the current issue of Railway Age.

There is, to be sure, bad tidings enough. The shopcraft pot is again boiling toward crisis; the "Cal Zephyr" is dead and the "Broadway" is dying; the rate increase has been held up; the need for capital is as acute as ever.

But we venture to guess that the subject of this week's cover story—the merged Burlington Northern—will be creating cheerful conversation among the security analysts long after they have typed their last agonizing appraisal of the effects of the shopcraft settlement. ("Will this merger work?" ask the skeptics. "It is already working," one of BN's biggest customers told Railway Age last week. Why it's working is described in the report beginning on p. 36.)

Santa Fe President John S. Reed has his own doubts about the immediate future, as he tells Senior Editor Gus Welty in an interview which begins on p. 45. But Reed's long-range faith shines through—and who will say that the "Super C" and others of its breed will not be rolling long after the New York Times has had its last convulsion over the disappearance of the passenger train?

Read on—about a terminal traffic jam that *has* been solved (p. 52); about L&D problems that *are* being worked out (p. 56); about a shipper who is sticking with rails (p. 44).

Does all of this sound like the work of a crew that is about to take to the lifeboats? We don't think so.

THE WASHINGTON WATCH

The recent meeting of 10 railroad presidents with DOT officials was not secret—but it was unpublicized until RA Washington Editor Frank Malone began nosing around. In a talk with DOT Under Secretary James Beggs, Malone found that there was more to the meeting than even a press release (had there been one) would have told. Malone's report on the deepening dialogue between railroad men and government men (p. 11) is further reason for long-range bullishness about the state of this industry.

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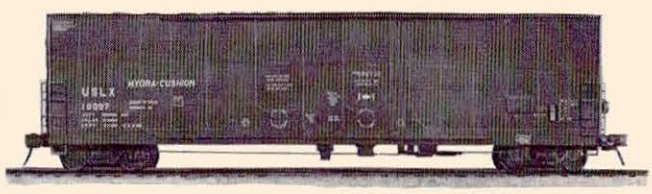

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RAILWAY AGE

MARCH 30, 1970

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Short and Significant

TECHNOLOGY

STEEL INVADES U.S. CROSSTIE MARKET

L. B. Foster Co. is introducing a new machine-assembled track panel—featuring steel crossties—for industrial and possibly secondary-track uses. The new all-metal panel is, in many instances, "well within the ballpark" when cost is compared with that of a wood-tie panel of comparable length, says a Foster official. The new Foster panel, in 42½-ft lengths, is about 3,000 pounds lighter than a panel of the same size utilizing wood ties.

GRAVITY TRAIN, TACV GET FUNDS

Two transportation concepts that seemed "far-out" only a year ago not only have won DOT's blessing; they are getting DOT money. A $3-million contract has gone to Grumman Corp. for design of a 300-mph tracked air-cushion vehicle. A $100,000 grant has been made to Tube Transit Corp. for further work on the Gravity Train, which would run downhill halfway, then use a combination of momentum and vacuum pressure for its uphill journey.

GOVERNMENT

NO RATE HIKE BEFORE JUNE 2

The 6% freight rate increase sought in early March by eastern and western railroads, and subsequently supported by southern railroads, is off until at least June 2, as ICC conducts a full-scale probe of the adequacy of existing rates. Oral argument before the full Commission is set for May 20. Meanwhile, the Senate Commerce Committee is considering appointment of an advisory commission to review rate activities of ICC itself.

SUBSIDY BILL MOVES ALONG

Approved 12-4 by the Senate Commerce Committee in a pre-Easter vote, the passenger-train subsidy bill will go to the full Senate for vote in early April. It would provide $435 million in federal funds over four years for assistance to railroads that operate essential but deficit trains. The House Interstate and Foreign Commerce Committee is expected to report out a similar bill before the end of April.

THE INDUSTRY

AUTO UNIT TRAIN IN OPERATION

Better equipment utilization is the major goal in the operation of a new-auto/auto-parts unit train, which has gone through its first trial run via IC, Cotton Belt and SP from Chicago to Los Angeles. IC preblocks the 100-car-plus train at Chicago from cars delivered by C&O/B&O, PC and GTW. On the eastbound run, IC performs a similar service on empties at East St. Louis. The auto-and-parts train is billed as the nation's longest unit-train operation.

FAREWELL TO THE CAL ZEPHYR

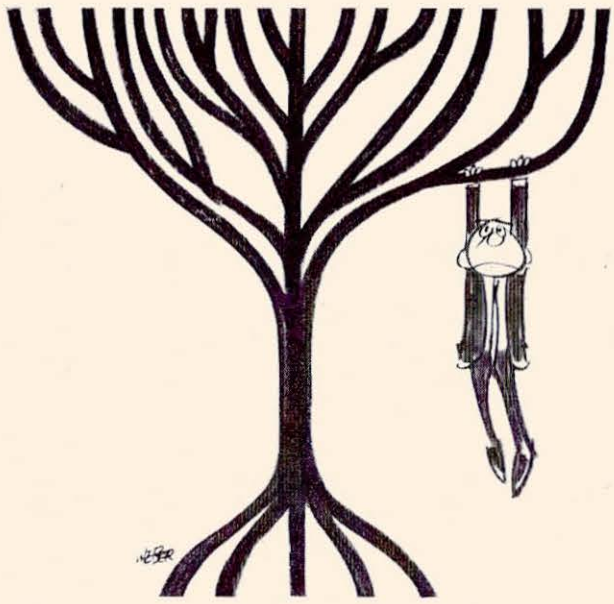
The Feather River Canyon is still there—but you can only get the railroad view now from a Western Pacific freight locomotive or caboose. WP is out of the passenger business, thanks to a three-judge federal court's refusal to hold up an ICC order permitting WP to drop the "California Zephyr." Meanwhile, Southern Pacific and Rio Grande worked out arrangements to maintain a three-times-a-week service between Salt Lake City/Ogden and San Francisco. WP bids farewell to a staggering loss. ICC bids farewell to "primarily a sight-seeing excursion." U.S.A. may be bidding farewell to a national monument.

C&NW: FOR SALE, BUT TO WHOM?

Who's going to buy Chicago & North Western? Maybe its employees, if there's enough support for a plan now being studied by a group of C&NW officers. The price tag isn't too high, so it's said, though the debt to be assumed is formidable. One fascinating question arises: If engineers and firemen and trainmen and clerks were to become real owners of a railroad, would they long put up with the work rules they now so jealously guard?

MANAGEMENT: READY TO HIT THE BRICKS

The solidarity behind the rail vow to shut down nationally in face of a selective strike by shopcrafts is capsulized by IC Chairman W. B. Johnson like this: "We tried self-help, without quibbling over the textbook rules, without worrying about being the nice guys. We decided to take to the streets on our own."



What transportation limb are you out on?

If yours is like a lot of companies, chances are your distribution system has grown up over the years like an unpruned old tree.

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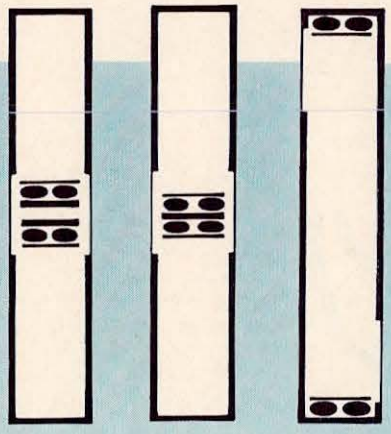

SYSTEM A SYSTEM B SYSTEM C

(A) The basic ACB system consists of two sets of complete air cushion units: primary bulkhead, air cushion, secondary bulkhead.

(B) One variation of the system consists of one primary bulkhead with an air cushion and secondary bulkhead on *both* sides. Special valve equalizes pressure in the two air cushions.

(C) Another variation consists of an air cushion and secondary bulkhead mounted directly to each end of the car. In conjunction with this version, Equipco has developed a unique car concept in which side doors are located near *ends* of car (as shown). When air bulkheads are deflated, bulkhead retracts from lading . . . thus permitting easy removal.

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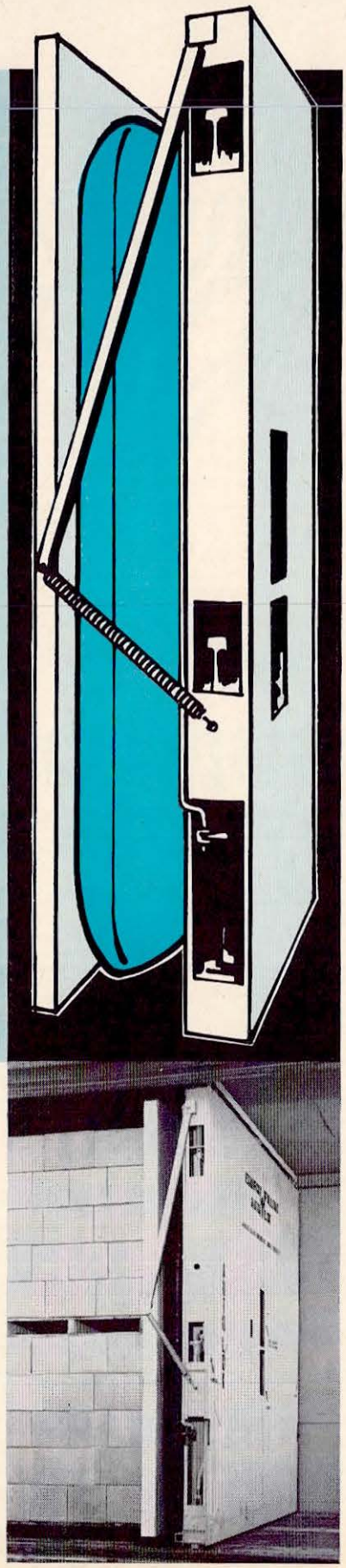

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A major feature of the Equipco system is the manner in which this "floating" bulkhead is suspended. Secured in only two places (much the way a picture frame is hung), the "floating" bulkhead adjusts both vertically and horizontally to the face of the load.

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RAILWAY AGE
NEWS

Shopcraft dispute: On and on and on?

Congress rejected President Nixon's solution to the shopcraft wage/rules dispute early in March—but Congress's own solution seems only to have postponed crisis for about a month, specifically until April 11. Congressional action—which pleased neither the railroads nor the unions—seemed based on the theory that more mediation would help. But the dispute staggered on toward the end of March, with no end in sight—and with the Sheet Metal Workers declining to participate in further talks.

When things came to a head in early March, there were scattered walkouts, despite Congressional passage of strike postponement and lockout-postponement legislation. Nobody can predict for sure now what Congress may do if there's no settlement before April 11.

The presumption has been that Congress—faced with another crisis—would move swiftly to provide for a solution, as it did in 1967 in another shopcraft dispute. But there were some second throughts, after the Administration and Congress permitted a letter-carrier strike to continue—a strike which was in violation of existing law.

For commuters, 288 new cars

Two contracts for 144 cars each will be awarded soon by commuter agencies. One contract will be awarded by the Metropolitan Transportation Authority and the Connecticut Department of Transportation for high-speed electric commuter cars to be placed in service on the New Haven. The other order will be placed by the Southeastern Pennsylvania Transportation Authority for cars to be used on the lines of the Penn Central and the Reading.

Bids already have been advertised for the New Haven cars, and MTA says contracts will be awarded within 60 days of the June 23 deadline.

Federal aid for freight service, too?

A few weeks ago, 10 railroad presidents travelled to Washington for an unpublicized meeting with John A. Volpe, Transportation Secretary. The meeting centered on the passenger-train problem. That, however, was not the only thing discussed. And the meeting will not be the last government/industry encounter.

Railroad presidents will be coming to Washington on a regular basis, says one of the meeting participants, DOT Under Secretary James M. Beggs, This is because rails finally are realizing that they may not make it without federal help, Beggs told Railway Age in an interview.

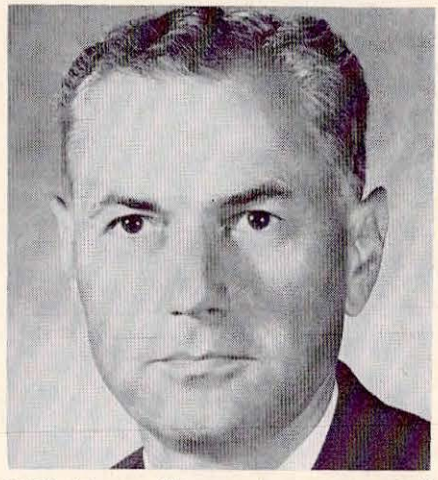
"Faced with the competition they have from other modes," Beggs says, "and faced with the fact that capital is going to be scarce, I think railroads have no other choice than to turn to the federal government.

"There is no question that this decade is going to be tough for the railroads. If we can keep the railroads alive for the next decade, however, I think the situation will get better for them. Clearly, I think federal involvement is necessary."

Beggs is emphatic about the extent of federal involvement needed. "Just solving the passenger problem clearly is not going to do it for the railroads. If you add to the railroads' financial statement in 1969 a sum equivalent to the entire passenger deficit, the railroad return on investment is still on the order of 3%. With the interest rates being charged and the likelihood that financing will be increasingly tough, you just can't sustain a major industry on that return.

"Clearly, it seems like there's going to be a necessity for some kind of federal involvement in the freight business."

Beggs says he doesn't know what kind of federal involvement will be needed, and he doesn't think the industry knows what kind of federal involvement it wants. But the question is under study by both sides. The answer, Beggs says, could include areas of right-of-way maintenance, looser regulation (greater rate-making freedom), and assistance in equipment replacement.



DOT's Beggs: "It may be a necessity"

Such matters, Beggs says, are being analyzed in the report he expects any day from the Federal Railroad Administration (RA, Feb. 23, p. 42).

Although railroads in the last year or so have shown signs of relaxing their arm's-length posture toward the government, they still could get closer, Beggs says.

"I think they've got to come a little bit farther yet. I don't think their basic philosophy has yet changed to the point where they're ready to really get in bed with the government, at least for the things I'm talking about."

But at least, Beggs says, "they're talking to us. They're beginning to talk to the Department [DOT] and to each other and to the labor people about what we are going to do to revitalize their industry."

After a successful early-March meeting, Beggs says, "we've agreed to meet with these people on a fairly regular basis, just as we meet with other industry groups on a regular basis, several times a year."

True, the first meeting dealt with passenger trains mainly. But, "when you get into the passenger business, it's a little like the camel getting his head into the tent." For example, passenger talk lead to talk about the over-all problem of right-of-way. "I expect we'll also be looking at the problem of railroad right-of-way and how it relates to the financial health of the industry."

NEWS

IC's Alan S. Boyd

Frisco's Richard Grayson

BN's William Ernzen

The outlook for railroads: Cloudy, with bright spots ahead

They called it an outlook conference—and it was, more or less. Each year at about this time, the Transportation Center at Norhwestern University rounds up several top railroad officers, puts them in a room with financial-interest people and encourages all concerned to speak out. This year, the rail panel was made up of Illinois Central President Alan S. Boyd, Frisco President Richard C. Grayson and Burlington Northern Vice President-Finance William N. Ernzen, with A. D. Kerr of Black & Co. as moderator.

And the view of the railroad future? For the short range, it's not so bright. For the long range, it's pretty good—if certain things happen.

IC's Alan Boyd laid it on the line: The single most important aspect of the railroad future, he's convinced, is the aspect that involves the industry's relationships with its employees.

Boyd makes several points: (1) That railroads for too long have operated in an effort to cut labor cost rather than to provide improved service; (2) that technology is away ahead of the industry's ability to buy it, because of financial problems related in part to union-contract requirements which act to prevent generation of needed capital; and (3) that trying to change this situation can be "terribly frustrating."

IC's president recalls the moves his road has tried to make—in talks, over many months, with representatives of operating employees; and in give-and-take sessions with employees themselves. He recalls the "minitrain" experiments of last year, which were a service success but hardly an economic one: though the trains were five-car mini's, the crews were maxi's. Wage costs alone topped revenue by $39,000.

For more months than IC people like to count, there has been a management/UTU dialog regarding establishment of a so-called jobs commission—a joint group which would be dedicated to building more business and more jobs. The jobs commission idea has almost made it, at more than one point. On each occasion, however, it's been "back from the brink." It wasn't brought out at the Northwestern conference—but there's good reason to believe that failure has been frustrating to UTU people as well as to IC's management. And Boyd did say that while success has eluded the parties, "we're still trying."

Labor problems got another going-over in discussion of President Nixon's proposal for preventing transportation-industry strikes. Reactions were generally favorable. But, as Frisco's Dick Grayson noted, one weakness in the President's plan is its apparent failure to provide for no-strike settlement of minor disputes which are now settled or arbitrated through the National Railroad Adjustment Board.

In other comments on major industry problems today, the panelists:

—Put a unanimous stamp of disapproval on the ICC's proposed time/mileage per-diem plan. Boyd called it a headache, Ernzen called it a monster, Grayson agreed with his colleagues and added the observation that it's "a terrible thing we've done, to get ourselves in a position where the ICC has to set rates." The mileage factor as proposed, Grayson said, would represent a penalty on efficiency and a bonus for inefficiency. Boyd said it was "180 degrees from where it should be." All three men called attention, however, to renewed industry efforts to reach a settlement without ICC or Congressional action—efforts which, Boyd indicated, have a "fair chance" of success.

—Expressed serious doubts about the wisdom of the industry's continuing to attack its revenue problems through across-the board rate increases. As Frisco's Grayson put it, "If we have not reached the point-of-no return on this type of increase, we are very close to it." Boyd took a similar slant. And there was general agreement that, while recent across-the-board increases have been just that, this time around there may be significant holddowns. At the same time, as Ernzen pointed out, some means has to be found to meet continuing increases in costs. Boyd took it a step further: while general increases may not be wise, there is a dire need for certain strong selective rate boosts.

—Took a generally optimistic view on the rail merger question. Questioners insisted upon pelting Ernzen with questions attempting to compare BN with Penn Central, and BN's VP-finance fielded them like an all-star.

Curtains for the "Broadway"?

A glamour queen in her youth, the darling of the smart set, the "Broadway Limited" for years returned a handsome profit to her owners. But recent times have been hard times for the "Broadway"—so hard that last year the pride of Penn Central's passenger fleet lost $103,000 (on an avoidable cost basis) hauling a dwindling number of passengers between New York and Chicago. Penn Central went to the ICC March 9 with a petition to abandon the "Broadway" and 16 other pairs of East-West trains that have moved into the loss column (see box).

PC President Paul A. Gorman said the move was necessary "in view of the $56.3-million deficit last year from ordinary operations, primarily because of heavy passenger service losses." These losses amounted to $104.8 million on a fully-allocated-cost basis; $67 million on an avoidable cost basis.

Discontinuance of these trains, together with seven other East-West pairs currently before the courts or the ICC in discontinuance proceedings, would terminate all long-distance Penn Central service west of Buffalo, N.Y., and Harrisburg, Pa.

The trains Penn Central wants to abandon

TRAIN/NUMBER	OPERATING BETWEEN	1968 LOSSES	1969 LOSSES
No. 13 & No. 32	Pittsburgh-St. Louis	$1,123,333	$1,270,805
No. 4 & No. 31	New York-St. Louis	1,516,326	1,885,152
The Duquesne (16 & 25)	Pittsburgh-New York	79,707*	93,833
Manhattan Limited (22 & 23)	Chicago-New York	36,262	344,560
Broadway Limited (48 & 49)	Chicago-New York	531,595*	102,930
Pennsylvania Limited (54 & 55)	Chicago-New York	264,769*	246,563
No. 77 & No. 78	Columbus-Cincinnati	413,840	443,319
No. 548 & No. 549	Harrisburg-Washington	80,758	112,120
No. 90 & No. 93	Chicago-Louisville	744,458	728,325
No. 63 & No. 64	Buffalo-Chicago	425,620	957,630
No. 27 & No. 28	Buffalo-Chicago	110,746*	870,256
No. 427 & No. 428	Boston-Buffalo	194,048	381,913
No. 51 & No. 98	Buffalo-Chicago	115,996	611,694
No. 14 & No. 17	Buffalo-Chicago	226,234	552,812
No. 351 & No. 52	Buffalo-Chicago	210,341	639,697
No. 315 & No. 316	Cleveland-Indianapolis	34,140*	297,630
No. 355 & No. 356	Detroit-Chicago	32,950*	165,773

*—Revenues exceeding direct costs.

The "Broadway" went into service on June 15, 1902, the same day that a rival train, the "Twentieth Century Limited," started running. The "Century" retired at the age of 65, on Dec. 11, 1967.

Per-diem issue, split three ways, ripens in Washington

What's happening in per diem these days? Just this: (1) An ICC plan for time-and-mile per diem, upheld by the Supreme Court but favored by few railroads, may go into effect June 1; (2) an attempt is being made to get a substitute time-only plan into law before June; and (3) ICC is pushing an additional, incentive per-diem plan that many railroads may find favorable.

Last year, more than 20 railroads and many legislators (mainly from western states) fought in vain to block an ICC plan for adding a line-haul mile rate to time rates for a fuller per-diem charge. After Supreme Court approval, the plan was first set to take effect last August. Then, after a plea for court reconsideration failed, the plan was supposed to become effective March 1. Now it is being delayed to allow time for Capitol Hill consideration of the time-only plan proposed by Warren G. Magnuson, Senate Commerce Committee chairman. After hearings March 24-25, the bill awaits Committee action.

Explaining the opposition to the ICC plan, Magnuson says: "The ICC system exacerbates the problem because its mileage basis provides incentive to retain empty freight cars on other lines until a load is obtained to pay their way back to the owner railroad's lines." Also, the plan "could prove unreasonably expensive to administer."

In the third per-diem action, ICC now is evaluating the response to its proposal for an incentive per-diem plan to be added to whatever basic per-diem plan eventually becomes effective. Incentive rates, ICC says, would compensate freight car owners justly, contribute to efficient car utilization, and promote an adequate car supply.

Applied during fall and winter, ICC says, incentive per diem should expedite the use of cars and their return.

"If it fails in this regard, such a six-month application of the incentive element should, we think, nevertheless produce a steady annual, although not perennial, flow of funds to the creditor per-diem roads with which they can purchase additional plain box cars," says the Commission.

To make sure the plan works that way, ICC has included a provision that proceeds from payment of incentive charges must be marked specifically for purchase of new box cars.

NEWS

Rails finally heard on air forwarding

After more than a two-year wait, Southern Pacific and Santa Fe finally are getting a Civil Aeronautics Board hearing on their requests for authority to use truck subsidiaries as air-freight forwarders. Washington hearings scheduled to start March 30 are a test of the rail contention that a surface carrier can legally operate an indirect form of air service.

The railroads emphasize that they aren't trying to take over any airline. They want to move goods to and from air carriers—not in them.

As far back as 1955, the railroads argue, CAB settled all doubt about the validity of their request. Then, air-freight forwarding authority was granted to two truck lines indirectly controlled by railroads. The railroads are reminding CAB that it said, 15 years ago, that: (1) Rail-controlled air-freight forwarder operations do not automatically mean destructive rate-cutting, but if such an eventuality arose CAB could cope with it; (2) the rail endeavor would help rather than hinder competition in this area; and (3) rail-run forwarders would clearly promote air freight rather than divert business to rail freight.

CAB said 15 years ago: "It appears difficult to believe that a railroad would go to the expense of setting up an air-freight forwarder subsidiary in addition to a surface-carrier subsidiary solely in order to use it as a means of diverting potential line-haul air freight from air to surface transportation."

CAB pointed out that no air shipper willing to pay premium prices would permit a rail-controlled air forwarder to change routings to benefit the slower mode.

"Actually," CAB said, "the railroads would be more likely to employ advertising and solicitation methods in an effort to persuade air shippers to use surface rather than air transportation if they are continually denied air-forwarding authority.

"On the other hand, the granting of air-forwarding authorization would if anything provide the railroads with less incentive to divert to surface facilities."

The railroads also point out that CAB stated that nothing in the Federal Aviation Act prohibits the operation of an indirect air carrier by a surface carrier. Railroads readily concede the prohibition against control of a direct air carrier (an airline itself) by a surface carrier. But that, they contend, is not the issue in their request for entry into air-freight forwarding.

Opposing the rail request, the Air Freight Forwarders Association is repeating arguments made against a similar (and successful) venture by three large truck lines.

AFFA points to a 1958 case in which CAB denied the air-forwarding application of the Railway Express Agency. A clear CAB stand against surface-carrier control of air forwarding which colored the 1958 case, AFFA says, was wrongly abandoned in 1967 when the board gave air-forwarding privileges to the truck lines.

The air forwarders now have appealed that 1967 decision to the Supreme Court after a lower-court let the decision stand, even though the lower court had first returned the decision to CAB for further deliberation.

The air forwarders contend that (1) even indirect air operations by a surface carrier are contrary to the Aviation Act, and (2) competition will suffer so much that many air freight forwarders would be put out of business.

"In short," AFFA says, "what is involved is a basic change in the national transportation system, which will adversely affect competition by eliminating the Congressional policy against entry of surface carriers into air transportation in an area where it is most effective. While such change might properly be the subject of legislative concern, it is beyond the power of the board to enact under existing statutes."

SP proposes to enter the field through three truck subsidiaries. ATSF would come in through a combination of its truck lines and an existing New Jersey-based air freight forwarder which would be purchased by Santa Fe's Chanslor-Western Oil and Development Co.

SP would combine truck service at more than 3,000 western points with forwarder service at more than 60 airports in the same area. Santa Fe would cover 13,000 Southwest points plus 11 major cities between West and East.

Missouri Pacific goes bilingual

Language barrier? Not for Mopac

When Missouri Pacific freight-sales people make calls in Japan, they may not be able to speak the language—but at least they can get across Mopac's message in print. A new four-page sales booklet, printed in Japanese, describes Mopac's service area—and emphasizes the road's intermodal capabilities. First distribution of the booklet in Japan was made during March by J. A. Austin, vice president-traffic; C. T. Groton, Jr., president of Missouri Pacific Truck Lines and Texas & Pacific Motor Transport; and R. A. Martin, MP traffic manager-containerization.

RI asks the ICC to dismiss C&NW's bid

In a petition that glitters with well-turned phrases, Rock Island is calling on the ICC to throw out Chicago & North Western's affirmative case to control RI. Springboard for RI's move, of course, was Northwest Industries' termination of the exchange offer involved in C&NW/Milwaukee merger and its offer to sell its rail properties to Milwaukee (RA, March 9, p. 12). As Rock

Island sums things up, North Western "has not only voluntarily removed itself as a serious candidate for combination with Rock Island, but has also expressed an intent to withdraw from the railroad business entirely. No further delay [in the RI case] can possibly be justified at the continued behest of a party whose current solution to the 'Rail Crisis in the Middle West' (C&NW Brief) consists of selling its portion of that 'crisis' to the Milwaukee."

RI hearings lasted more than 27 months, and resulted in more than 48,000 pages of transcript and 1,300 exhibits. For more than a year (since filing of final briefs), the examiners have been at work on their report. Recently, however, they re-opened the case at North Western's request for investigation of new evidence.

In Rock Island's opinion, "It is now starkly evident that North Western has imposed a monumental and shocking waste of time and money upon RI and the other applicants in the Rock Island proceedings, as well as the Commission, since the concocted virtues of a 'Midwest Regional' empire, as spread on record in scores of North Western exhibits and thousands of pages of testimony, now lie obviously abandoned by North Western's management."

In light of events, RI says, C&NW's application to control "is now devoid of substance, and the examiners need no longer engage in evaluating two competing applications [basically, C&NW's and Union Pacific's] . . . . In view of the self-inflicted destruction of North Western's affirmative case, the only real issues now before the examiners are whether a Union Pacific/Rock Island merger is in the public interest and, if so, what relief, if any, should be granted to various intervenors."

If North Western's rail assets should in fact be sold, RI adds, "Apparently, North Western would exist only as a corporate shell holding two chemical companies, but would possess no rail properties and conduct no rail operations. Obviously, such a radically reconstituted subsidiary of Northwest Industries would have no real interest in acquiring Rock Island. Having expressed an intention to sell one losing rail operation—its own—it would be utter nonsense to acquire yet another."

Lines on Labor

GUS WELTY

IN ADVERSITY'S MIDST, HOPE

Hope. Is it used as a noun, indicating the existence of hope? Is it used as a verb, in the imperative mode, indicating that people ought to hope? When you consider the current railroad shopcraft labor dispute—or rail labor relations in general, for that matter—you can use "hope" either way. There are sound reasons for hope that the shopcraft case will be settled, and on terms not overly onerous to the industry There are also sound reasons for hoping that out of this dispute may come some more rational form of organization for rail labor.

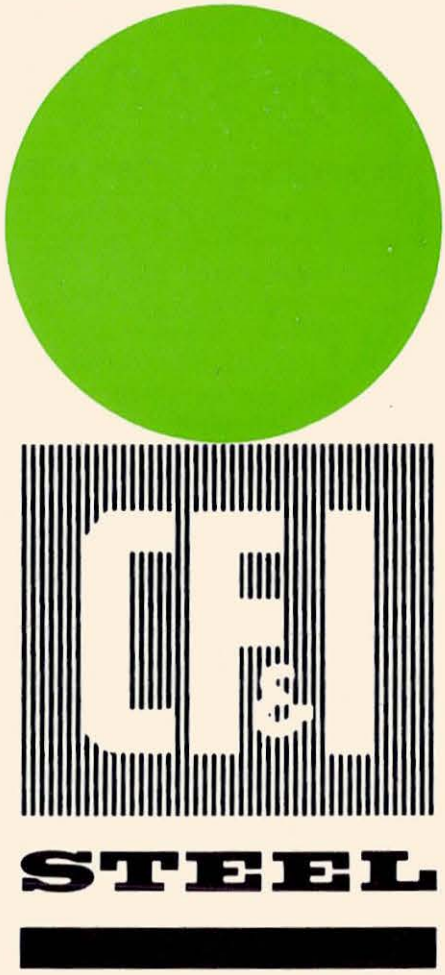
HOPE FOR A SOUND SETTLEMENT: WHY?

Not everything that happens in railroad management/labor relations can stand the test of logic. But if ever anybody stood on the side of the angels, the railroads do in the shopcraft case. The incidental-work rule—which union negotiators accepted—makes all kinds of sense, in its relation to shop work and the current dispute. More important, the philosophy behind this rule is the philosophy which the brotherhoods—one way or another—will more and more have to embrace. There just isn't any other way, if the railroad industry—and with it an organized rail labor force—is to survive.

HOPE FOR CHANGE IN LABOR: WHY?

When you deal with railroad management/labor affairs, there are very few "without-exception" statements that can be made. Here are two of them: (1) The whole nature of railroad operations has undergone tremendous change, and more is coming; (2) Organized labor's form and structure, even its thinking, have changed hardly at all. As in many problem areas today, history is working against both the industry and its employees. The brotherhoods are old. They were organized along craft lines. They are AFL-oriented. They know not of the CIO's industrial-union theory, and they care not. But stop a moment and consider: (1) What industries are more problem-wracked than the construction industry and the railroad industry, both dominated by old-line AFL unions? And (2) though they do have their share of problems, can you imagine the crises-explosion that might occur if the steel or automobile or coal mining industries were organized along those old (and strict) AFL craft lines? A start has been made in the railroad industry, through the mergers which created the United Transportation Union and which brought the former Transportation-Communication Employees Union into the Brotherhood of Railway and Airline Clerks. But at least two more things must happen before rail labor can face tomorrow squarely: (1) The mergers must start working, internally; (2) more have to take place.

"YES WE CAN, TOO!"



We think we're in good company when we echo Burlington Northern's positive philosophy, "Yes, we can!"

Frankly, that's been our philosophy ever since the first rail came out of our Pueblo plant on April 12, 1882. In fact, the following July, when the Burlington Railroad first reached Denver, the last 100 miles of the new line were laid with CF&I rails and fastenings.

And, that was eleven years before the first significant proposal of the merger of what is today "the world's longest railroad."

So, we can fully appreciate the long history of service that has led to Burlington Northern's goal of creating a dynamic new transportation system that will benefit not only the American West but the nation as a whole.

Burlington Northern enthusiastically says "Yes, we can!"

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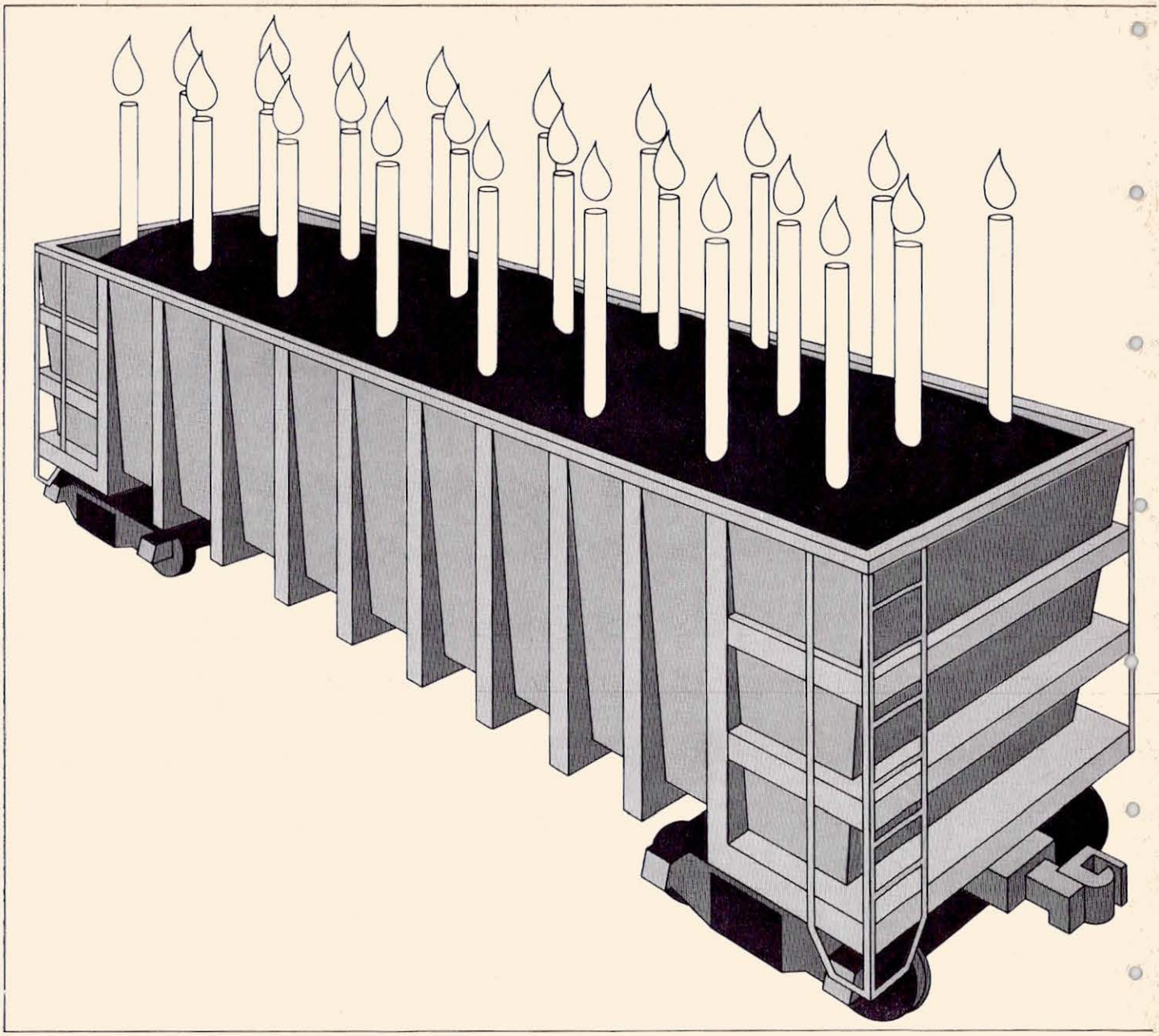

New math:
If aluminum-bodied freight cars are still going strong after 24 years, how do you figure average car life?

With a crystal ball.

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A 20-year comparative study by a major railroad of repair costs for a group of aluminum-bodied and steel-bodied cars of the same age and service history was completed recently. Results: an average annual cost of $820 per aluminum car, $2,642 per steel car. The $1,822 difference is accounted for by the need to rebuild steel sides, floors and slope sheets due to corrosion.

Extra payload (up to eight tons in a 100-ton car) and reduced maintenance costs resulting in longer car life are only some of the advantages offered by coal cars made of Alcoa aluminum. For assistance in evaluating the economics of aluminum-bodied cars, contact Mr. Rodney E. Wilson, Manager of Railroad Industry Sales, Aluminum Company of America, 1501 Alcoa Building, Pittsburgh, Pa. 15219.

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THE 2-IN-1 GEAR

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The H-60 has the equivalent energy absorbing capacity of *two* Mark 50 gears. This remarkable achievement in the science of draft gear engineering is accomplished by the addition of a hydraulic booster unit to the normal spring complement. The powerful hydraulic unit supplements the spring resistance to produce the multiplication of total draft gear capacity.

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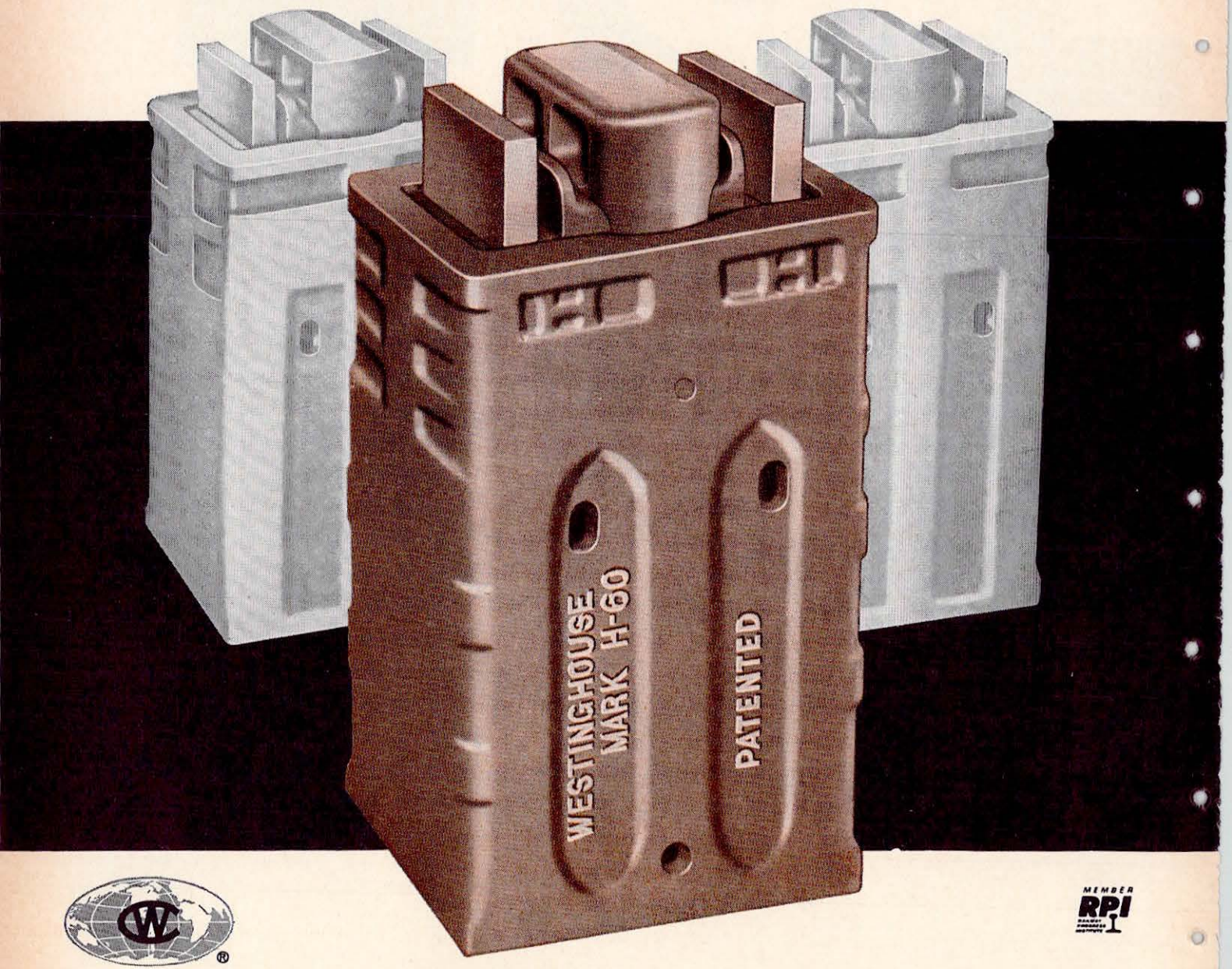

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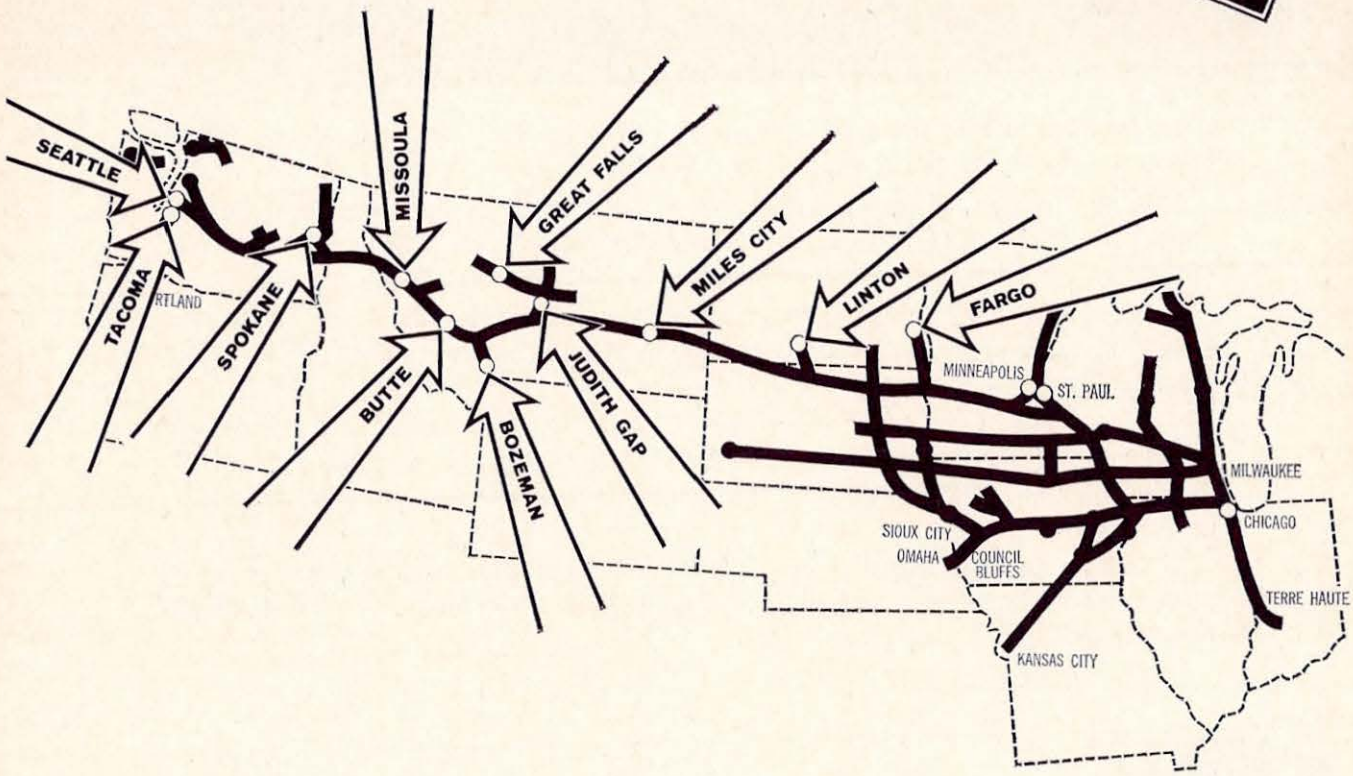

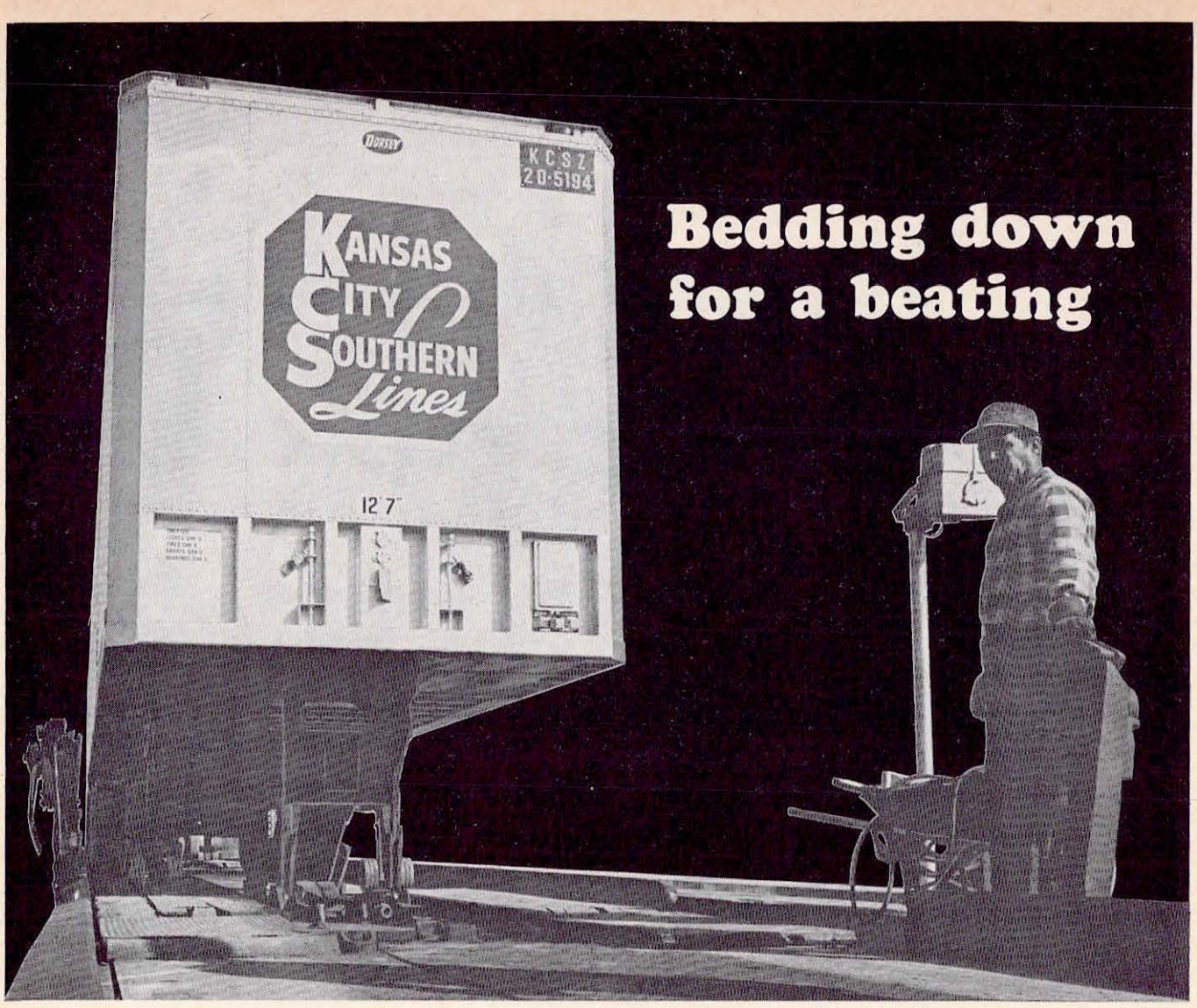

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Early Dorsey models earned the reputation of being the toughest trailers on the road. At the same time, since payload capacity was as important then as now, every possible pound of weight was engineered out of them.

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*Single trailer, not exceeding 38,500 lbs. general loading — ramp to ramp.

F-71

Circle 23 on coupon page 81

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No more ticker-tape parades? It could come to that if there were no more railroads.

Paper wouldn't be so cheap any more without railroads to move it from the mills.
There'd be fewer newspapers. Fewer magazines. Fewer school books.
Paper would be so scarce you might even be able to use it for money.

No more railroads to deliver the most goods at the lowest cost? We can't afford that.
But, given fair taxation, up-to-date regulations, and the ability to do business
like any other business—the railroads will always deliver the goods.

America's Railroads

Who needs them? You do. We all do.

We find the bumps so your freight won't.

With our rolling research center.

These Southern engineers are "reading" our track. They're aboard "R-1," our unique research car with sophisticated equipment that traces every bump, twist or dip. Then quickly, a track crew makes any needed improvements.

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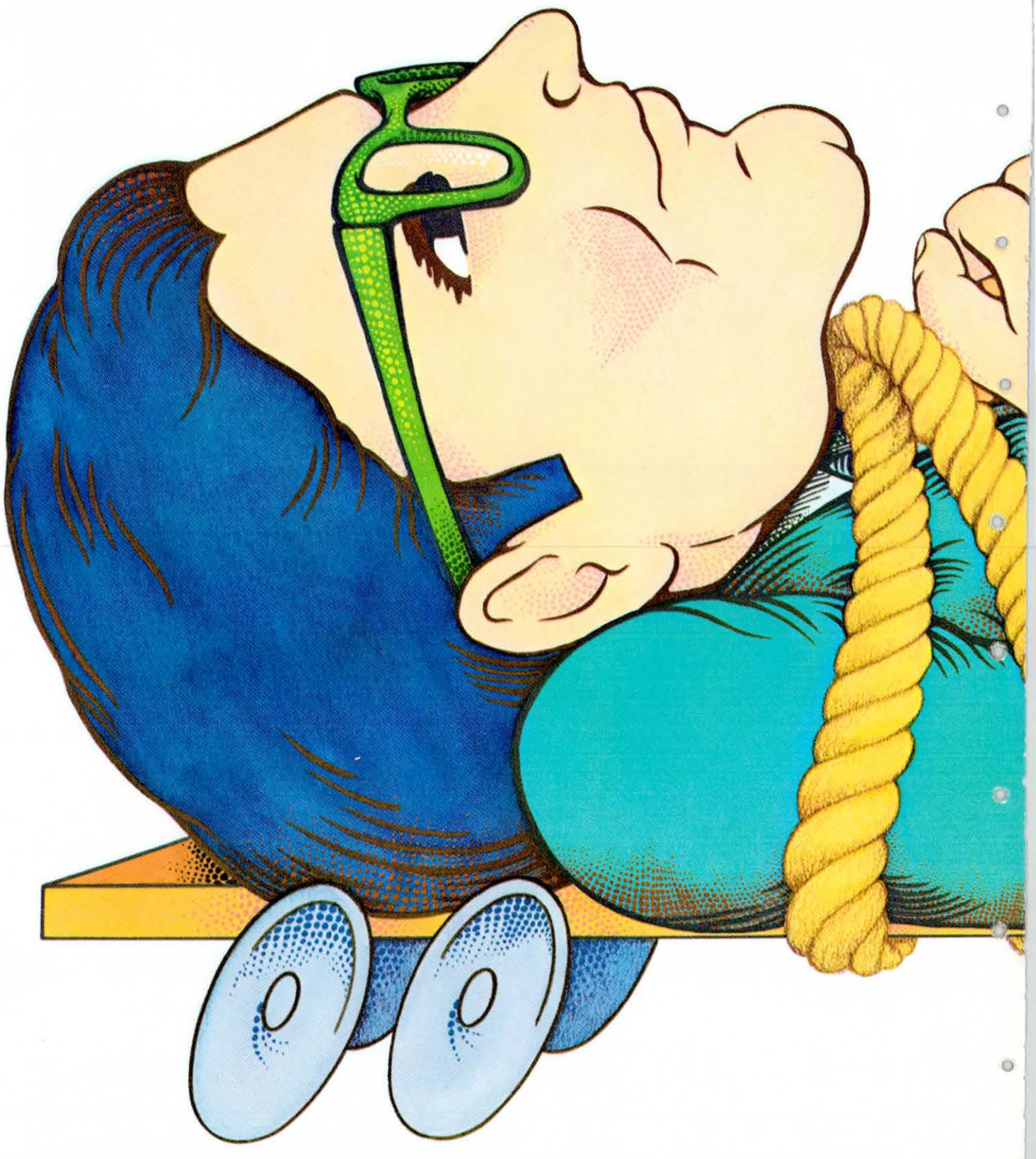

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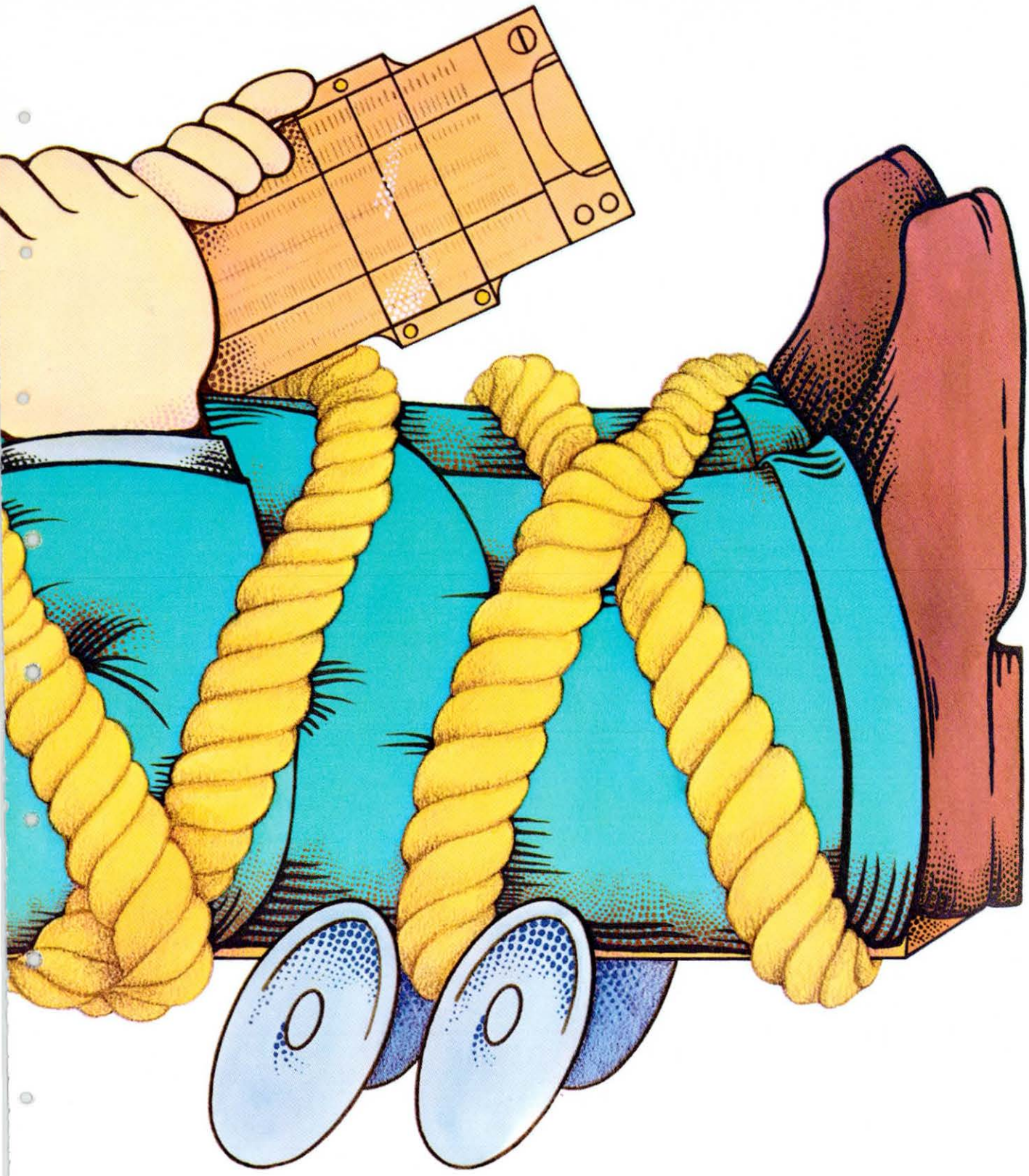
It's true that we have more service engineers around where you might need them, than any other car builder. That being the case, it would seem we could spare them a little longer, and maybe not even miss one or two. Truth is, they're the best rail car specialists in the field. Having more of them doesn't mean there



are more things wrong with our cars. It means there are more things right. And because they make sure we know about your new needs, we need them. And miss them. Ask them anything, anytime you see them. They're even familiar with our competitors' cars. And, if you need a new idea—and need to know it's going to work—asking them is like calling us.

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When a long train takes up its slack it'll just about jerk a bottle of beer out from under its cap.

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Fruehauf — the Total Transportation people.

You're way ahead with Fruehauf behind you.

to your neck whiplash.

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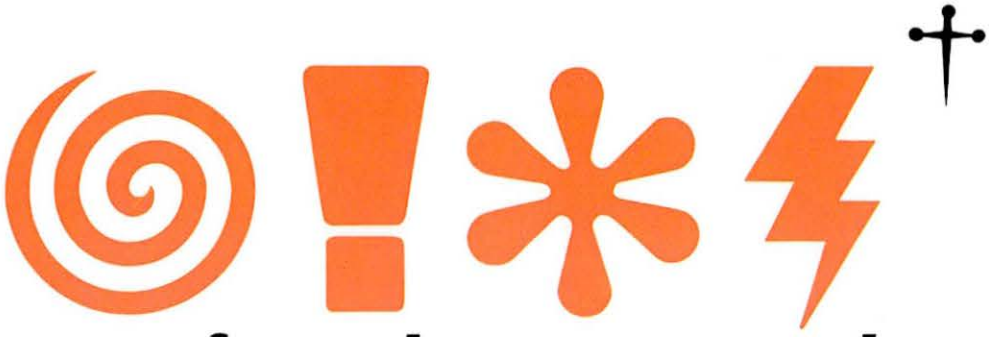

is a four letter word

†LATE

Frisco has just issued this inspirational message to its employees.

It's kind of a "war cry" for the 70's. Because, if anything, we're even more devoted to dependability in shipping than we were in the 60's. We're not resting on our Quality Control record —our improved terminal processing time, car utilization and the rest. We're working right now to do the job even better. We aim to be known to every shipper as "The Dependable One."

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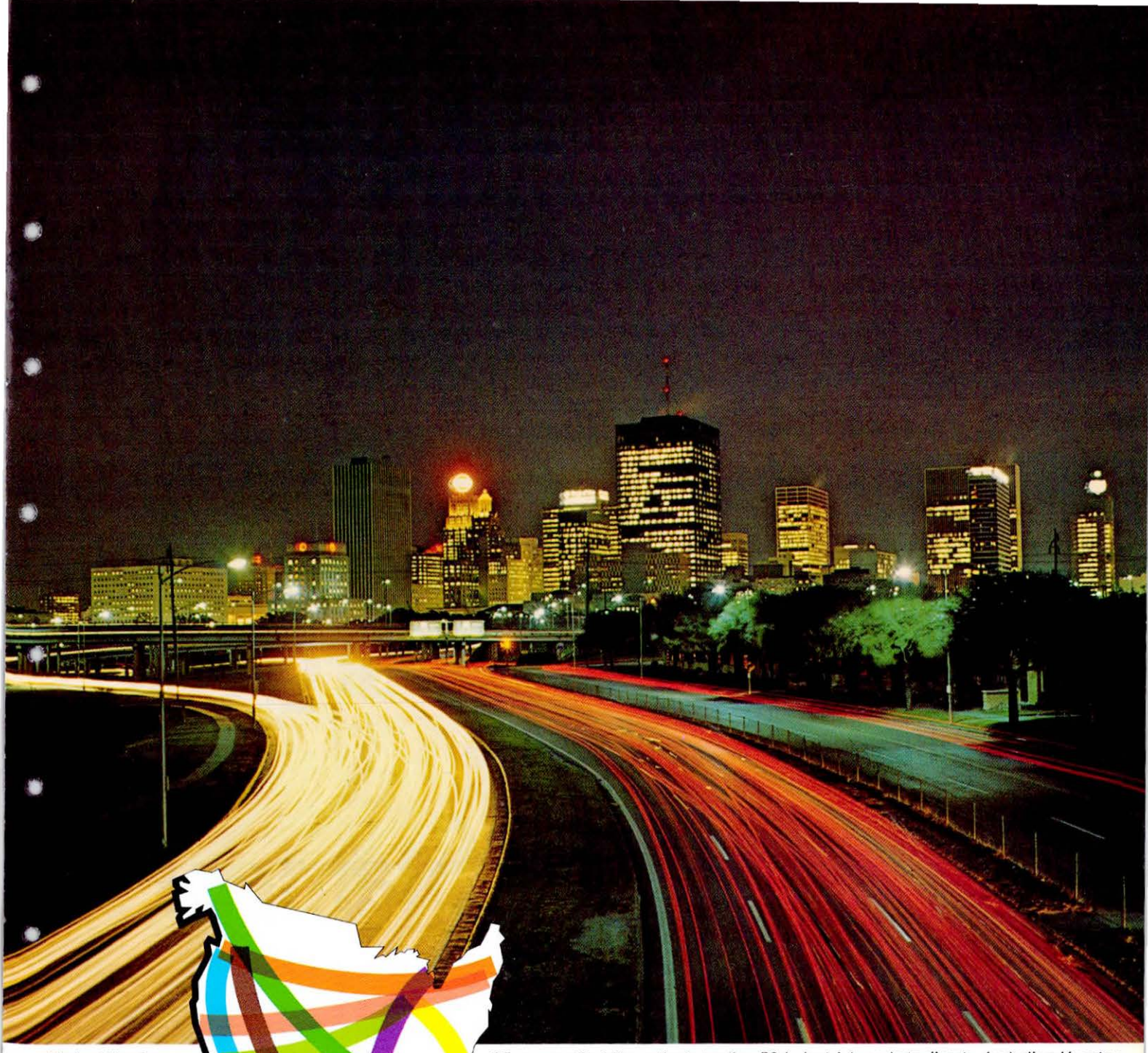

Photo of Houston
by Bert Brandt

CF serves 46 of the nation's leading 50 industrial markets direct—including Houston.

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The LTL Specialists—with the people and the places to serve you better.

CONSOLIDATED FREIGHTWAYS

"Max, why do you think National gives S&H Green Stamps?"

Max, our National Car Rental computer, is a real ladies' man. They love him because he sees to it that they get a gift of S&H Green Stamps every time the man of the house comes home from a business trip.

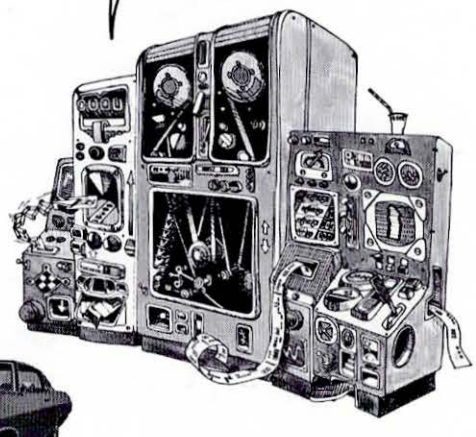
But businessmen like him for other reasons. He's why National is the only car rental company that can *guarantee* car reservations.

Wherever you are, when you dial National's toll-free number (800-328-4567), we just ask Max if there'll be a car waiting for you. Max knows, at the instant you call, what cars are available at every one of National's 2400 world-wide* locations. It's that simple.

Besides guaranteeing reservations, Max keeps up on what people like. That's why National features new Chevys, Pontiacs, Buicks, Oldsmobiles, Cadillacs and other fine cars. If you like S&H Green Stamps and good service, give Max *your* stamp of approval. Only Max can guarantee car reservations, and only National Car Rental has Max. Let Max do it.

*Tilden-Rent-A-Car in Canada

'CAUSE THERE'S A WOMAN BEHIND EVERY GREAT TRAVELING MAN.



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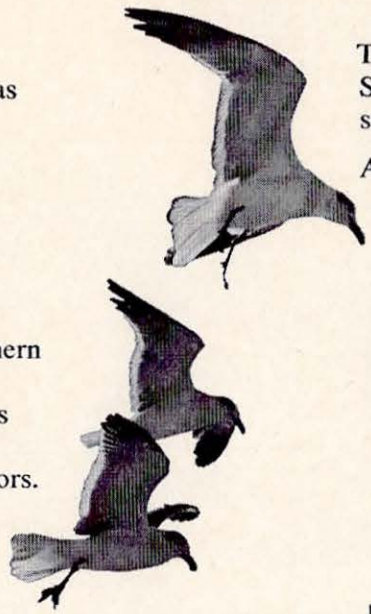

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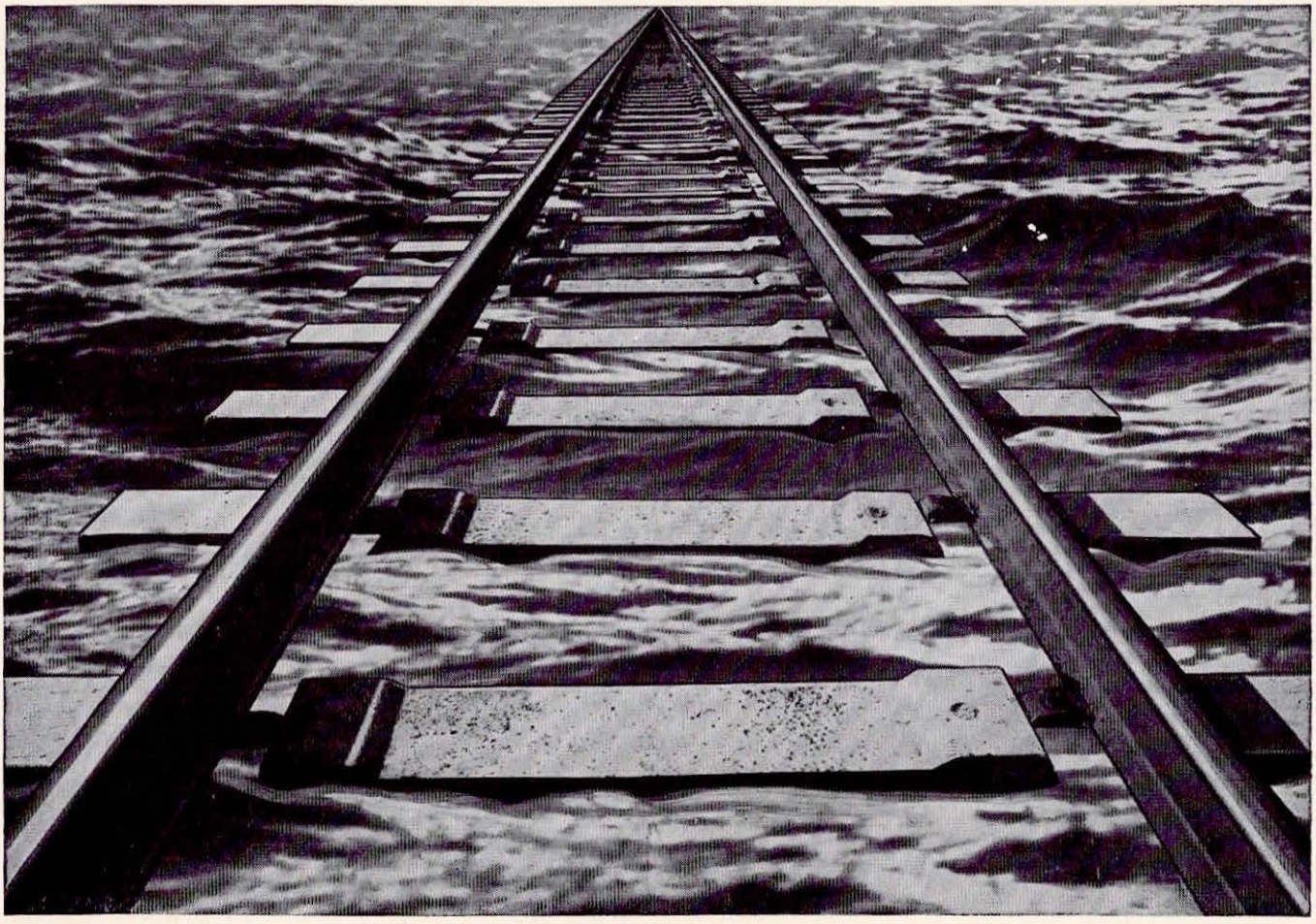

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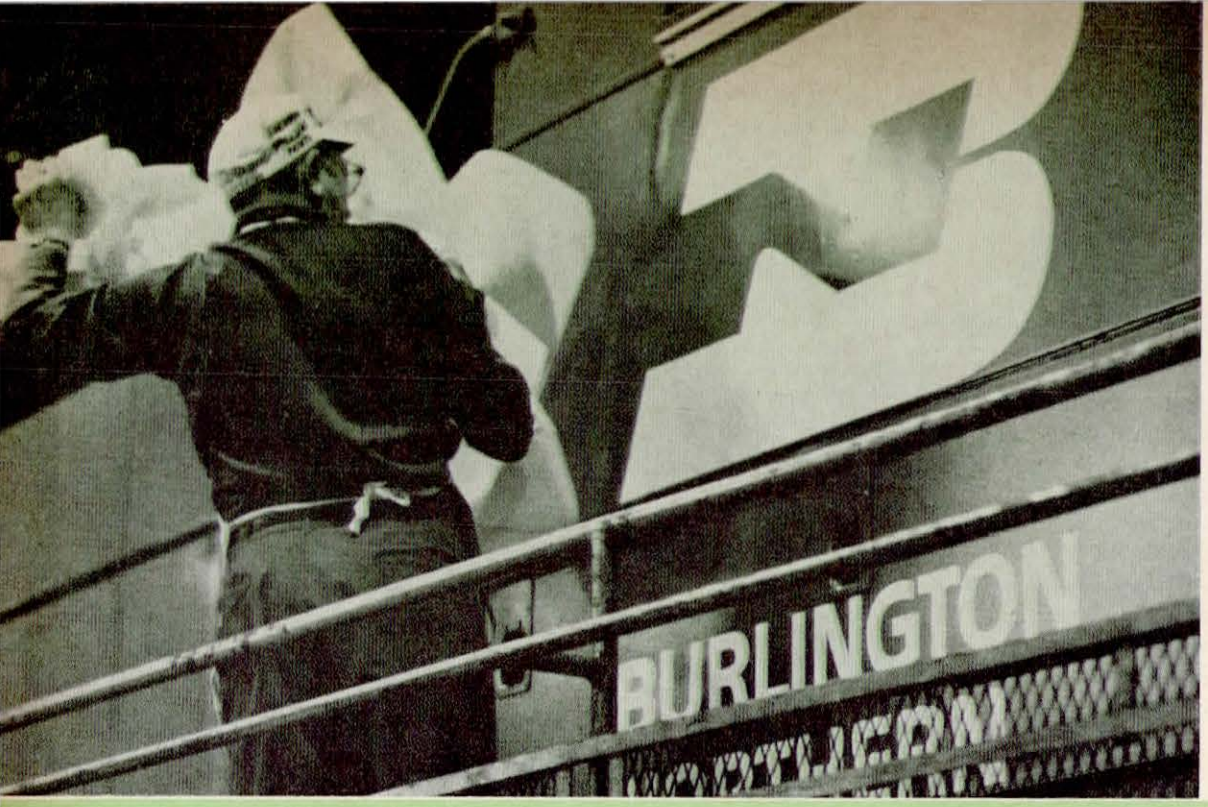


A rai

The BN merger is working—and has been since M-Day. Here's why.

giant is born

Burlington Northern may be the most soundly conceived, the most carefully planned and the most effectively executed railroad merger of them all.

BN is the nation's newest railroad, and the longest. It brings together four major railroads with records of individual excellence—Great Northern, Northern Pacific, Burlington, and Spokane, Portland & Seattle. It brings them together under circumstances in which the whole can be far greater than the sum of the parts.

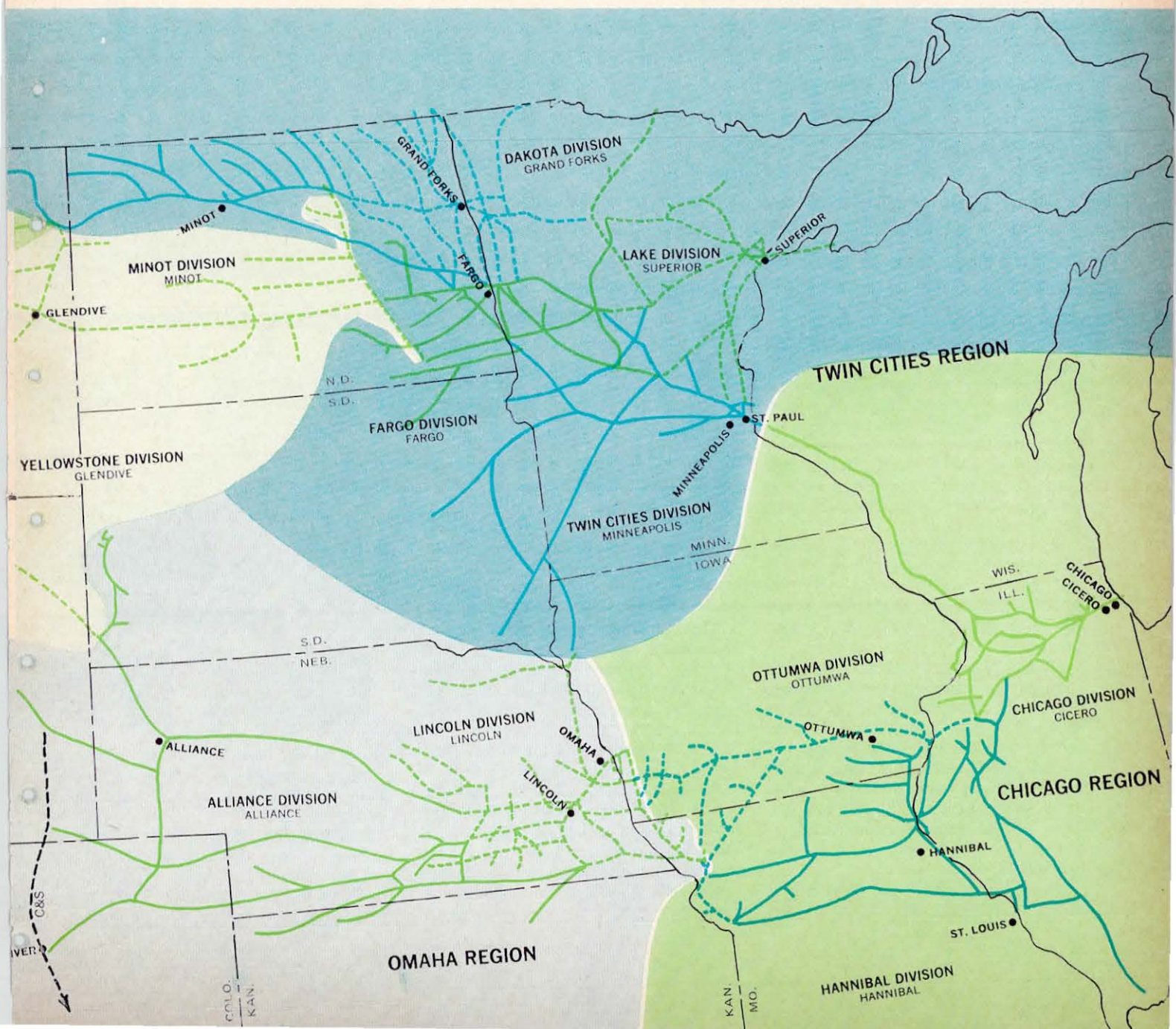
BN is a merger 15 years in the making. BN is a merger which began *working* as a merger on M-Day. It worked well then, and it's working well now, with a month's experience on the record.

What are shippers saying? Few shippers could be more important to BN than General Mills. And GM's vice president-director of transportation, William K. Smith, likes what he sees in BN performance. Says Smith: "We have quite a few plants on this system and a lot of country elevators. We haven't had a single merger-related complaint—a complaint that would reflect somebody's not showing up, or too many people's showing up, or their closing down a yard and forgetting to tell us. Whatever it is that BN is doing, they have not upset our operations at all."

● **What makes BN tick?** No one factor accounts for this initial success. No one factor gives rise to the optimism about BN's potential. Among the "plus" factors are these:

—A long time ago, managements of the BN roads decided that theirs would be no "instant-upheaval" merger. They stuck with that decision. Painstaking planning went into working out the

RAILWAY AGE MAP BY GEORGE LUBALIN



transition through which many companies became one. As a result, M-Day dawned with most of BN's key departments set up to function on a unified basis. There were a few problems in the field. But by no means could they be classed as major.

—Throughout planning for M-Day, primary consideration was given to the effects of merger on people, and to the influences of people on merger. Planners recognized that BN was a somewhat peculiar amalgam of two longtime competitors, plus their jointly controlled Burlington, their jointly owned SP&S and the GN-owned Pacific Coast. The goal was to create a true merger, not a takeover in any form. At this point, that goal seems to have been achieved.

—Top management recognized that a merger's reputation is built, rightly or wrongly, in the first few days and weeks of operation. At all costs, serious operational or service blunders had to be avoided, and from all indications they were.

—BN roads went into merger with their eyes wide open and clearly focused on property improvements which will have to be made to make the unified company operate at top efficiency. By some estimates, merger-related improvements, spread over the next five years or so, will exceed the approximately $60 million originally projected. First-priority status will be shared by two projects: Construction of a new Northtown Yard as BN's major Twin Cities classification facility, and construction of a line change and a new bridge to create an improved connection between former GN, NP and SP&S lines near Spokane.

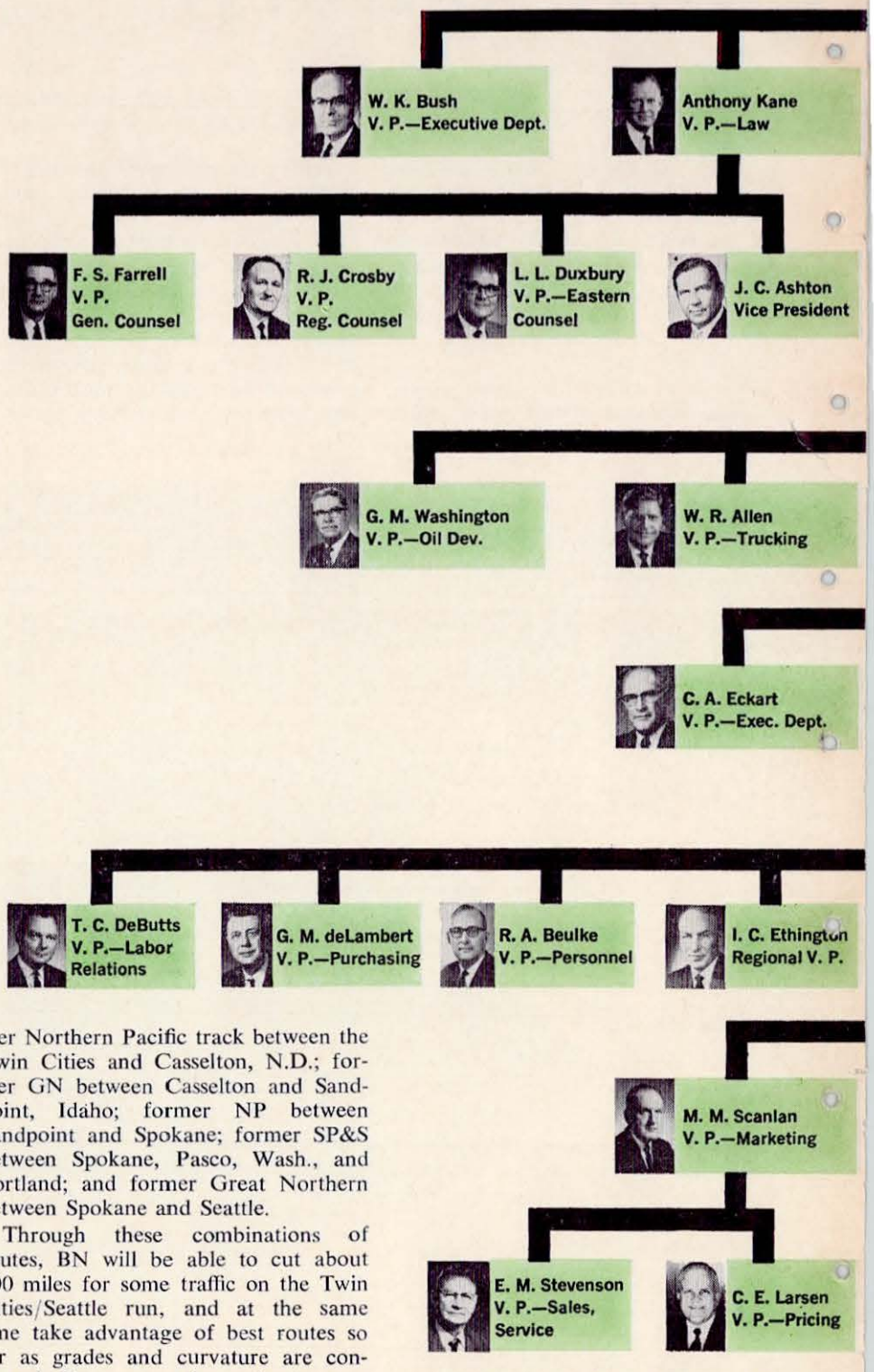
● **Two-way benefits.** Essentially, Burlington Northern is both an end-to-end and a parallel merger—and, in BN's case, there will be definite operating advantages accruing under both situations.

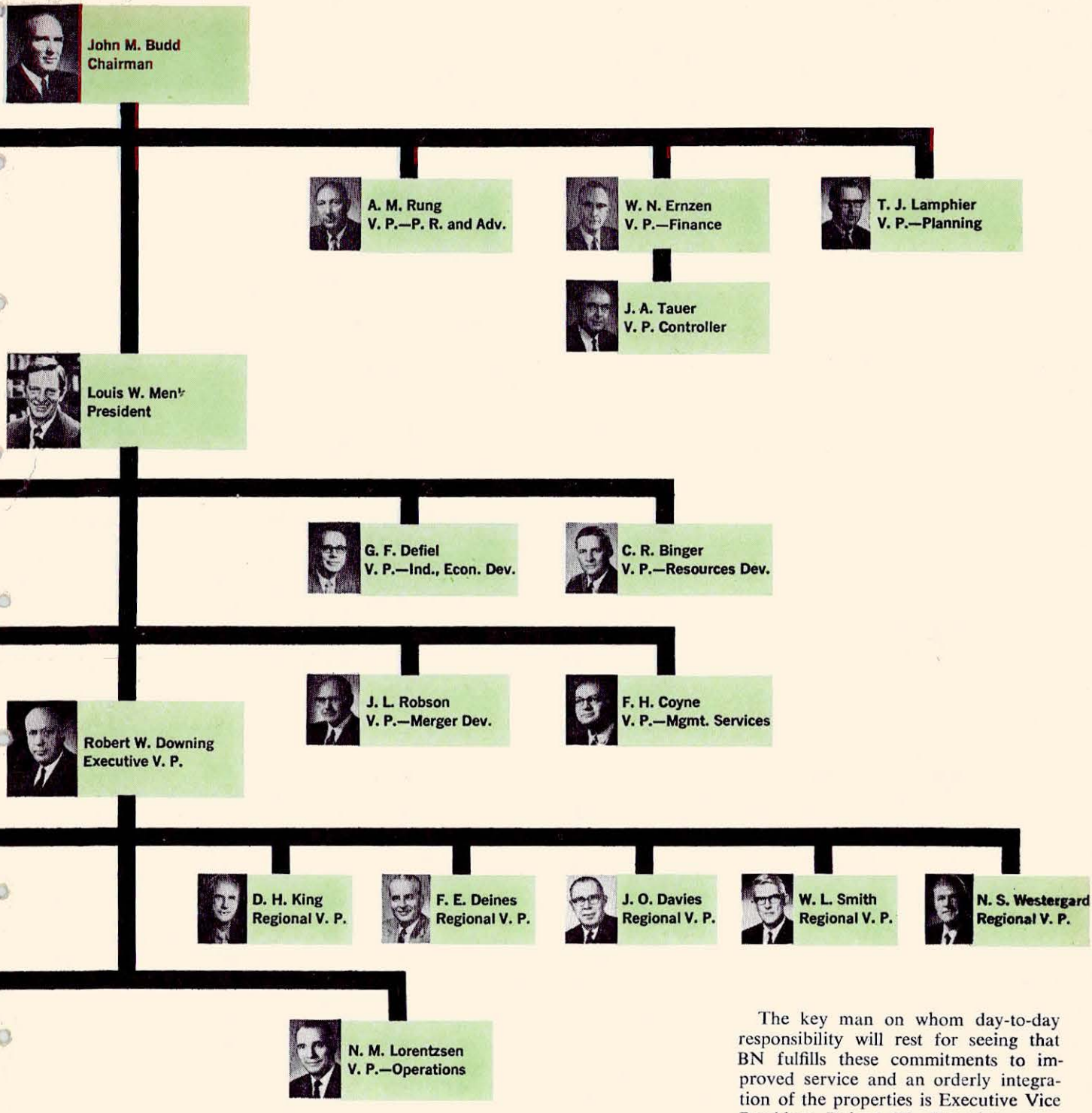
Under present plans for optimum routing, for example, traffic between the Pacific Northwest and Southeast or Central states would largely move via former Burlington lines and the Laurel, Mont., gateway. Traffic between the Northwest and the East would move primarily via Chicago and the Twin Cities, using a combination of former GN and NP lines west of Minneapolis-St. Paul.

As operations are now set up, the preferred routing involves use of former Northern Pacific track between the Twin Cities and Casselton, N.D.; former GN between Casselton and Sandpoint, Idaho; former NP between Sandpoint and Spokane; former SP&S between Spokane, Pasco, Wash., and Portland; and former Great Northern between Spokane and Seattle.

Through these combinations of routes, BN will be able to cut about 100 miles for some traffic on the Twin Cities/Seattle run, and at the same time take advantage of best routes so far as grades and curvature are concerned. By conservative estimate, preferred-routing will improve dependability of freight schedules and cut several hours from Twin Cities/Seattle through freight schedules—but BN is quite frankly shooting for more than that time-saving. Simplified interchange procedures at key gateways should also speed operations. So should extensive improvements in long-distance preblocking arrangements, which are now getting a close look in the operating department.

● **Ready for merger.** Required connections—mostly between former GN and NP lines—are now in. At Casselton, a temporary link has been installed, and a better one is being





planned. At Moorhead, Minn., a new connection is in. At Sandpoint, an existing connection is doing the job but will be improved. New trackwork will be built in the Twin Cities area this spring, and permanent connections will be built as soon as possible where temporary connections now join former GN and NP lines. But, as Burlington Northern operating people noted as of M-Day, usable connections "are in place at every location where we have to have them."

In the meantime, BN is doing a system operations-monitoring job which should produce significant operating improvements soon.

● **Goals are clear.** Throughout the pre-merger period—in statements, interviews and so forth—BN Chairman John M. Budd and President Louis W. Menk put their primary stress on two points: (1) BN would provide improved service to shippers *as of M-Day,* and (2) the actual integration of the properties would be carried out gradually, methodically. The oft-heard comment ran something like this: "By no means are we going to turn these railroads upside-down overnight."

The key man on whom day-to-day responsibility will rest for seeing that BN fulfills these commitments to improved service and an orderly integration of the properties is Executive Vice President Robert W. Downing—who, in a very real sense, was a chief architect of BN. He was GN's appointee to the original merger-study committee—and it would be hard to argue with the observation that probably no person in BN management ranks has been more closely identified with the merger over the years since studies began.

Appropriately enough, in the new company's code of organization, Downing is the man to whom the operating and marketing vice presidents report, along with BN's six regional vice presidents.

And in N.M. Lorentzsen, Budd, Menk and Downing have a vice-president-oper-

ations whose thinking runs parallel. On M-Day, Lorentzsen was to take charge of about four times as much railroad mileage as he operated at Northern Pacific. But he would be using the same operating philosophy that worked well on NP—namely that you isolate your problems, in train-handling or terminal operations or classification planning, for instance, and then set up specific improvement projects aimed at specific goals.

● **Challenges are clear.** Quite clearly, Burlington Northern's operating department will be facing a series of challenges as the merger continues to take shape.

For one thing, conditions attached to the merger—conditions mostly benefitting the Milwaukee Road but also aiding Chicago & North Western and Soo Line—have created a brand-new ballgame so far as inter-railroad competition is concerned.

For another, substantial savings must be generated to help provide the huge sums BN will be spending for needed improvements. The generally-accepted figure on pre-tax savings is $40 million a year, to be reached in about the fifth year of merger. But in the biggest single area of expense—labor expense—savings will build slowly. Job-protection agreements provide a high degree of security for union employees. Non-union people are similarly protected, with a guarantee that as of M-Day nobody would be deprived of employment or put in a lesser position with respect to pay, benefits or "privileges of employment." Thus, labor savings—any significant ones—can come only through normal attrition processes, and attrition on permanent jobs is running at a rate of slightly less than 6% per year.

A third challenge—car supply—isn't new. And without any doubt, the BN roads—operating as an entity—will be able to improve utilization of equipment to make fewer cars do the work of more. Still, the car-use, car-availability and car-distribution problems will be bringing sleepless nights to operating and transportation people and to BN's planning group. One sample of the extent of the problem: On M-Day-plus-, much-in-demand plain box cars on-line represented just 63% of BN's ownership.

● **BN: More than numbers.** In dealing with something as big and as complex as Burlington Northern, there's a temptation to dwell on the numbers. And the numbers are indeed impressive: Here's a system that stretches from the Great Lakes and the Ohio River to California and the Pacific Northwest, from the Canadian border to the Gulf. BN is now operating about 24,000 miles of line—about 26,000, including Colorado & Southern and Fort Worth & Denver, operated as subsidiaries.

When BN takes inventory, it can count almost 2,000 units of motive power, almost 122,000 freight cars, more than 1,200 units of passenger equipment. The four principal constituent companies last year performed mightily—adding up more than 60.7 billion revenue freight ton-miles and more than 1 billion revenue passenger miles. Total operating revenues were $907 million, with a net of $49.9 million before extraordinary charges incurred upon merger.

You could go on and on—even to the point of adding up the number of computers and input/output devices in BN's management services department, or counting the number of sales offices, or helping the purchasing and material department count brake shoes.

The problem is that numbers don't really tell the BN story—except perhaps for one number, one which virtually every top BN officer will cite as the real key to merger success. The number: 47,865. It represents BN's work force, from chairman and president to the lowest-seniority switchman or clerk.

BN FREIGHT STRUTS ITS STUFF near Minot, N.D., on "preferred routing" line. B

● **Pitching in, on M-Day.** And what reaction have the 47,865 had toward the merger? A few sample comments, from the days following M-Day:

"I'm impressed with the strength—and the enthusiasm—of our people. That's what makes the difference between a good operation and one that's not so good. From the way our trains are operating and from the way our yards and terminals are functioning, I'd say our people are making every effort to make the merger go."—Vice President Operations Norm Lorentzsen.

"We knew we had to identify, as of M-Day, as a unified department. Individual opportunities are so great, and the corporate opportunities are so great, that we just can't afford any sort of factionalism—where the whole operation and everybody connected with it will suffer."—Vice President-Marketing M. M. Scanlan.

"One of the benefits of those long months and years of merger planning was the kind of people-compatibility that developed. We were putting together three different systems, and we all had different ways of doing things.

optimum combination of routes, BN is cutting about 100 miles for some traffic on the Twin Cities/Seattle run.

We've tried to facilitate information-flow, for instance, so the man in the field—on any part of BN—doesn't have to go through any wracking change in the way he's used to doing things. In any combining of companies, you can have problems with highly-motivated people—programmers, for instance. But we promised to give a better service, and we realize that we'll be judged by the mark we make in the first few weeks after merger. I think our people are aware that nobody can afford to slough-off on even the smallest job"—Vice President-Management Services Frank H. Coyne.

● **Planning for the choices.** In putting Burlington Northern together, there's been the obvious need to choose among systems—and, just as obviously, a lot of planning has been done.

In management information, for instance, car-location data from the former Northern Lines is being assembled in St. Paul and fed from there via leased wire to the former Burlington computer center in Chicago. A dedicated computer in St. Paul provides the necessary format conversion, so that the sender can transmit data and the receiver can draw it off in formats to which they are accustomed.

Incompatibility of machines and systems has been a problem in certain other mergers—but this is a problem that doesn't particularly worry Frank Coyne. The former GN, he points out, had both Univac and IBM equipment and GN people learned how to make the systems communicate. Besides, he'll say, "with today's technology and today's programming capabilities, there are so many ways to get around these compatibility problems that I'm just not too concerned."

● **Continuity in marketing.** In the marketing area, BN will operate with the basic marketing structure developed a few years ago on GN—with, probably, further refinement of market-manager responsibilities. With experienced field sales forces from all BN roads now operating as a unit, there's also the possibility that some expansion of sales offices may be undertaken, to bring BN representatives even closer to the customer. This is an area which Vice President-Marketing Mal Scanlan and Vice President-Sales and Service E. M. Stevenson are still exploring.

BN marketing people are optimistic —if cautiously so—about business increases this year. They are also well aware of the new competitive situation they face, with new muscle being flexed by the Milwaukee Road.

As of March 3, 11 western gateways were opened for interchange of traffic between Milwaukee and former GN and NP lines. Milwaukee also will now have trackage rights giving it entry to Portland and to Billings, Mont., and providing a competitive route between Canada and Pacific Northwest states.

For years, Milwaukee Road people have chafed under the existing traffic restrictions. Now, they have a new freedom of operation. And they also have a man who well knows the territory from a somewhat different vantage point—new Chairman William J. Quinn, president of the former CB&Q.

● **One railroad, six regions.** BN's success in meeting this challenge—and a lot of others—will depend in large part on the smooth functioning of the regional organization BN has created. Regional vice presidents will operate out of Chicago, Omaha, Minneapolis, Billings, Portland and Seattle. It's their responsibility, and that of their staffs, to maintain close contact with customers, employees and the public—and to handle the supervision of day-to-day operations.

The task of coordinating regional ac-

BIG CAPITAL EXPENDITURES ARE IN THE OFFING

tivities falls on the shoulders of the system officers based in St. Paul—and included in this central organization are two departments with a vital role to play in building BN's future. One is the merger development department headed by Vice President J. L. Robson, which will help achieve and help measure savings to be generated by the merger. The other is the planning department headed by Vice President T. J. Lamphier, which will be looking at everything from capital budgets and return-on-investment calculations to improvement of car supply and establishment of corporate goals.

● **Plans for tomorrow.** Tom Lamphier's immediate goals are two-fold: To build on the acceptance of the need for formal planning, and to improve the quality of planning.

He's concerned, for instance, about the need for another screening process in capital budgeting—to bring return-on-investment figuring to more of an exact science, to help suggest the kind of expenditures that should be made and to help weed out expenditures that don't significantly affect profitability.

He's concerned, beyond that, with expense budgeting— which, he'll say, sometimes seems to be carried through without much real analysis as to "whether you're getting the figures you really want to see." One way to make a budget is to add up projected revenues, add up projected expenses—and see what's left. Lamphier's way is to set the target and then budget to meet it. And once the target is established. it will be a fixed point of reference from which both revenue and expense performance can be measured.

● **How about capital investment?** At this point, BN's planners are looking down the road toward capital needs—and from all indications they'll be substantial, both for equipment and for fixed-plant improvements.

Lamphier is convinced, for example, that BN will be spending significant dollars for equipment—and that substantial investments will be coming up in locomotive and car-repair facilities, in addition to the investments scheduled at Northtown Yard and for other terminal improvements in Washington state. At the same time, he doesn't see BN getting more deeply involved in the carbuilding business as such. The former Burlington shops at Lincoln, Neb., he notes, fill a definite need in supplying cars of types for which construction capacity is lacking in the carbuilding industry. But former NP shops have not been major builders in recent years, and no new cars have come out of former GN shops since 1960. The emphasis in BN, he emphasizes, will be on repair—to keep the bad-order ratio down and to keep expensive equipment in productive service.

Where else will BN be investing? More microwave seems a good bet for the future, as does a step-up in maintenance-of-way activity. The former NP completed its Twin Cities/Seattle microwave network last year, and the former Burlington has microwave from Chicago to Lincoln, Neb. The gap to be closed would be between the Twin Cities and Chicago on the ex-Burlington system.

● **Just a brief look back.** In the midst of all the doing and planning associated with making BN work—today and tomorrow—you have to wonder about the thoughts which must be spinning around in BN minds, as BN people realize that the railroads are actually merged.

Few men alive today can recall the first unification effort—undertaken, unsuccessfully, in the 1890s—or even the second one, which failed in 1901.

It all began 15 years ago

Not many men are still active who went through the third effort, which was ended in 1930 after the ICC ordered divestiture of Burlington stock as a condition of GN/NP merger.

In the modern era, Burlington Northern started taking shape 15 years ago, in informal talks between John Budd and Robert S. Macfarlane, then president of NP.

In the beginning, the railroads themselves moved slowly. Merger studies got under way in late 1956, but it wasn't until mid-July 1960 that GN and NP directors approved exchange terms and authorized the execution of a preliminary agreement of merger.

The unification program (including absorption of Pacific Coast Railroad and lease of SP&S) was finally approved in January 1961, formal application to the ICC followed in February —and then the long wait really began.

● **The ICC takes over.** Commission hearings stretched over nine months. More than 600 witnesses testified, almost 400 of them supported merger. The record ran to more than 15,000 pages.

More than two years passed after the close of hearings before Examiner Robert H. Murphy filed his report—which recommended approval, subject to certain conditions relating to employee protection and post-merger operations of Milwaukee and C&NW.

More than a year and a half passed after the examiner reported before the Commission acted—and then its action was to reject the pro-merger recommendation by the slimmest of margins, a 6-5 vote.

So the BN lines, in effect, started over. By late 1966, Milwaukee and C&NW had been won over to support of merger. Opposition from various states faded. Among the opponents who remained: The U.S. Department of Justice, and it was Justice's continuing opposition which played perhaps the major role in delaying the merger until March 2, 1970.

Faced with changed circumstances, the Commission in early 1967 opened the case for reconsideration. Further submissions were made, further hearings were held. In December 1967, the ICC reversed itself and approved merger. In April 1968, it reaffirmed that decision. calling the merger "a means for achieving, through appropriate conditions, overriding benefits to the public through improved transportation."

Joy reigned, more or less, in BN-land. All the planning now seemed to be to some purpose. May 10 was set for the actual unification. As May 10 dawned, officers of the involved companies were in New York for the signing of final documents. Out in the field, the many railroads were set to start operating as one.

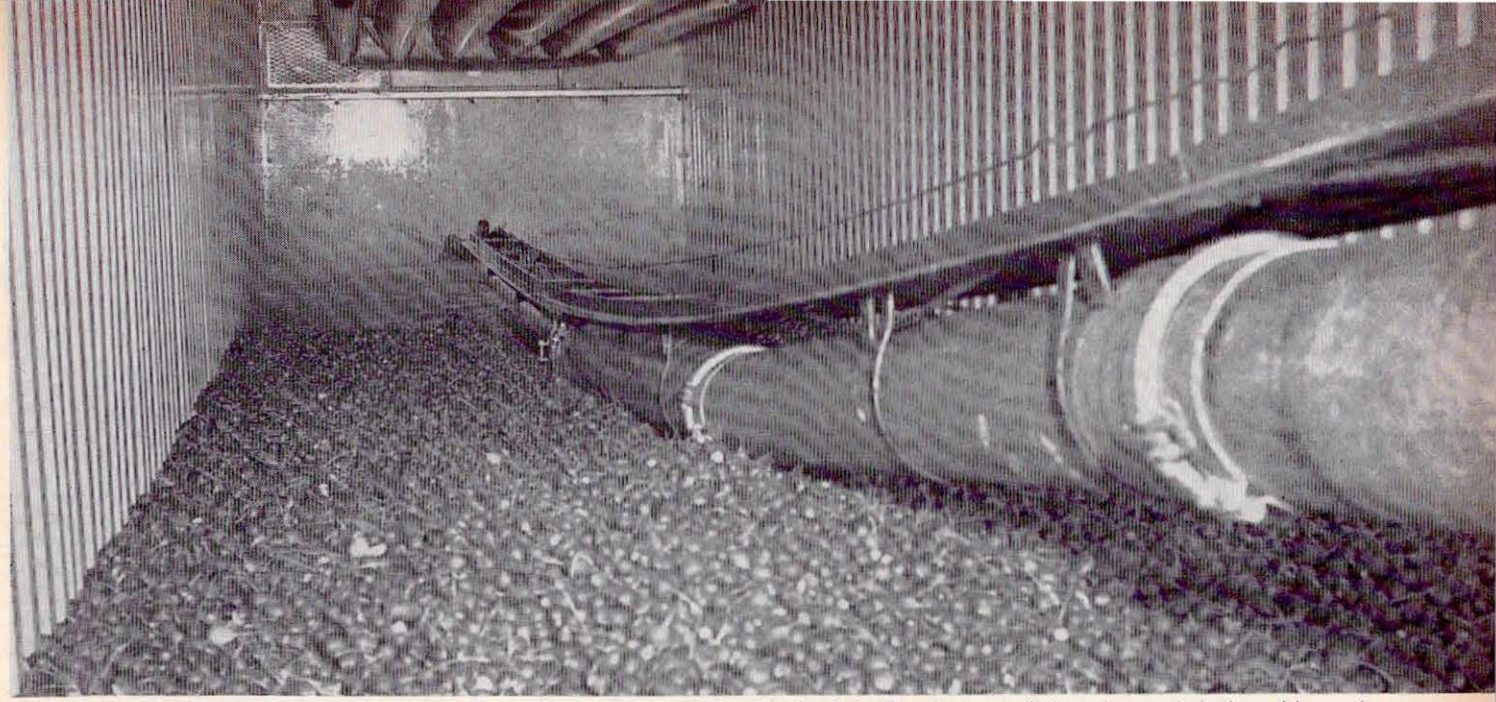
● **Then, the courts take over.** Minutes before the complex merger procedure was to begin, Chief Justice Earl Warren put his signature to a stay order—at the request of the Justice Department. BN people packed up and went home. Unification operating plans went back on the shelf.

Now, for the first time, BN merger was a matter for the judicial process. Briefs were filed, arguments were held —and a three-judge Federal court upheld the ICC's approval of merger. But the Justice Department appealed to the court of last resort—the U.S. Supreme Court.

Burlington Northern—which had lost so often, which had seen its progress stymied so often—won the final round. and won it big. Seven justices participated in the decision. Seven justices approved merger. Protestants still had a chance to ask for reconsideration. Faced with a 7-0 decision, they remained silent. Four weeks to the day after the high court's decision, BN became BN.

● **Finally BN takes over.** You could quote John Budd or Lou Menk or a lot of other people on what merger means. Maybe it could all be summed up in the comment of one secretary to another, as the two girls came to work on M-Day.

"Gee," she said, "isn't this great?" ■



CHILLING EQUIPMENT, plus replacement of air by nitrogen inside piggyback trailer, keeps radishes dormant during shipment.

Why radish lovers like railroads

The vegetable deteriorates quickly, but TOFC helps get it to consumers in good condition.

To preserve the quality of the country's major radish crop, the Southern Railway and the Florida East Coast must move piggyback shipments daily from the fields of Florida to a Tem-Cole processing center in the small town (population: 651) of McClure, Ohio, within 36 hours.

Radishes deteriorate quickly after they are pulled from the ground unless they are kept cool in an inert nitrogen atmosphere. Even then, a delay en route would result in rejection of the radishes because of loss of quality.

● **Cooling applied quickly.** Tem-Cole, the nation's largest producer of radishes, begins cooling its radishes almost as soon as they are pulled from the earth and maintains them at a low temperature until they are sold.

Harvesting is done by a futuristic machine that scoops up 14 rows at a time, tops and sizes the vegetables in one operation. The tops and undersized radishes are returned to the soil as mulch. Radishes passing the sizing test are tossed from a conveyor into a wheel-mounted hopper being pulled by the harvester.

It takes about 30 minutes to fill a hopper, which is then towed by tractor to the first processing machine in the center of the fields.

There, the radishes are cycled through a tumbling rinse with cooling water and are loaded into a 40-ft refrigerator trailer. When filled to its 41,000-lb capacity, the trailer is delivered to the Florida East Coast piggyback siding in Belle Glade, Fla., nearly 30 miles due north.

The major precooling operation takes place at the FEC siding. Thousands of gallons of water, prechilled to approximately 33°F, are cycled through the load for at least 1½ hours. When the precooling manager, J. R. Barker, is satisfied that the temperature has stabilized, the chilling water is drained off and liquid nitrogen is bled into the trailer to provide an inert atmosphere. Then the mechanical cooling unit is started and set at 33° F.

Trailer loads begin arriving at the siding shortly before noon each day and continue to arrive until about an hour after sundown.

At about dusk, an FEC yard tractor begins moving the trailers up ramps onto flat cars, and at 8 p.m., each day's pick begins its rail journey to Ohio.

By midnight, the piggybacks have arrived in Jacksonville and have been switched to the Southern's northbound freight to Cincinnati.

Arriving in Cincinnati 24 hours later, the trailers are offloaded by crane and spotted for hookups by a fleet of Tem-Cole tractors. Four hours later, the trailers are being backed into Tem-Cole's receiving dock in McClure, about 20 miles southwest of Toledo. Normal elapsed time between Belle Glade and McClure is less than 36 hours.

● **Consistency is vital.** There is almost no room for error in a Tem-Cole rail shipment. Should FEC fail to load a trailer on time in Belle Glade, the load would be delayed a full day. When it arrived late, the entire load would probably be rejected by the quality control checkers in McClure because it is difficult to maintain optimum environmental control with the semi-portable equipment in Belle Glade. A layman could not detect the slight loss in quality, but the people in McClure could, and that would be enough.

Failure to make connections in Jacksonville would be even more serious because that could cause rejection of a full day's production — to say nothing of the problems it would create for McClure's processing schedules.

In addition to giving consistent service on pick ups and switching, the railroads must also periodically monitor the refrigerating equipment while it is in their custody. Should a refrigerating unit shut down, the radishes' propensity for self-destruction will begin working. Within a few hours, the temperature within the box will rise over 90° and the load will be ruined.

Few foodstuffs have been the subject of more intense technological attention in recent years than the cello radish. Today, production of this vegetable is so carefully controlled that it can be said a radish is as much "manufactured" as grown.

The intent of the control is the pro-

Watching Washington

WHO NEEDS RAILS? TRUCKS DO

FRANK MALONE

"I may be a victim of mass advertising," says George M. Stafford, ICC chairman, "but I do believe in the validity of the statement: 'Who needs railroads—you do.' "

Interestingly, Stafford's reference to AAR's ad campaign was made before, of all people, a group of truckers.

Specifically, Stafford says truckers need railroads as *privately-operated* carriers. As *government-operated,* railroads would give trucks a worse run for the money than they can now, Stafford warns. Federal capital might be more competitive.

"It may seem somewhat of a paradox," Stafford says, "but serious reverses in the railroad industry will not necessarily result in a corresponding advantage to the motor carrier industry.

"Nationalization of the railroad industry would be the worst challenge the trucking industry could ever face.

"We at the Interstate Commerce Commission talk with motor carrier operators from foreign nations frequently, and we find that their most serious challenge stems from the competition ordained by nationalized railroad systems."

To truckers, Stafford says: "I am sure you join me in a fervent hope that this will never transpire here."

Stafford is quick to add that he's speaking hypothetically. At the moment, he insists, there is no serious move toward railroad nationalization in the United States.

ASTRO MAY SPEAK SOON

Is it a jet, a ball player, or an AAR committee?

In this case, ASTRO, America's Sound Transportation Review Organization, is an AAR committee from which is expected an industry view on the future of the industry.

Set up in September 1969 to recommend "whatever measures it considers advisable to assure a balanced and progressive transportation system," ASTRO has been in seclusion ever since. But the word is that ASTRO's three-man team has been busy.

A report, in fact, may be drafted sometime in April. However, early summer may be a more realistic time for publication of ASTRO's recommendations. AAR's board must give a blessing.

The question ASTRO is assigned to answer is this: Where in a national transport picture do railroads belong, five or ten years from now, and how do they get there?

It is really an industry attempt to determine the same thing the Transportation Department has assigned FRA to do.

The ASTRO report is expected to cover railroads' relationships both among themselves and with other modes. For the external needs, legislative proposals will be drafted.

Operating from a sixth-floor suite in AAR's Washington office building, the three-man task force includes: Robert W. Blanchette, executive director, on leave from Penn Central, where he is New England general attorney; Richard E. Briggs, senior policy analyst, a former ICC special assistant and systems analyst; and James W. Boone, analyst, with a fresh Ph.D in business administration from Penn State.

duction of a radish uniform in color, texture, flavor and size. A cello radish should be a bright, exciting red. It should always be firm-bodied and crisp. It should have a refreshing tang without being too hot. And it should be consistent in size and shape.

During the summer, the radishes come from Canadian fields 400 miles to the north; from late autumn until late spring, they are grown in fields south of Florida's Lake Okeechobee, more than 1,000 miles away.

The Canadian and Florida fields are used because both contain a rich, ebony-black soil that imparts a superior flavor to radishes. Together, the fields cover more than 6,600 acres.

The nature of the soil in which it is grown is only partly responsible for the quality of the radish the housewife brings to the table. The remaining responsibility for quality lies with processing and distribution.

Heat and oxygen are the greatest enemies of quality. The radish generates its own heat when exposed to air.

● **Saves 30 hours.** Tem-Cole made the decision to piggyback from Cincinnati at the beginning of last season. Previously, it had been shipping by rail to Toledo, and had been unhappy with the results.

"Although Toledo is much closer to us than Cincinnati, a rail shipment to Toledo takes 30 hours longer," says John Fryman, Tem-Cole's general manager. "That meant we had to depend on the reliability of the reefers for a minimum of 30 additional hours. We wanted to avoid that, so when Southern Railway proposed using its Cincinnati terminal, we decided to give it a try."

Fryman is still not completely happy with his present set-up because he still isn't getting the reliability he wants from the reefers. The refrigerating equipment has difficulty in maintaining the precise 33° F temperature. Some loads arrive with frostbitten radishes, others with the temperature beginning to rise.

The Southern, Fryman says, is concerned about the problem and is attempting to find or develop better equipment.

"The Southern Railway must be commended on its concern for our need for rapid transportation from Belle Glade," Fryman says. "We also appreciate the road's efforts in trying to develop more reliability.

"An efficient transportation system is our life's blood. When you realize that 35 to 40% of the cost of our product is in its transportation, you'll know how important it is to us. The Southern recognizes this and is working with us to keep costs down." ■

President John S. Reed on:

How Santa Fe looks at tomorrow

It would not be stretching a point to say that these are exciting times, around the beehive at 80 East Jackson Boulevard in Chicago which is Santa Fe's general headquarters. And the man responsible for a lot of that excitement? John S. Reed, president of Santa Fe since January 1967 and chief executive officer since late 1968. Here, in conversation with Railway Age Senior Editor Gus Welty, John Reed talks about Santa Fe, about the railroad industry, about change and the need for more change, about accomplishments and about problems—leading off with one of the biggest problems of all. How to pay for progress.

Q. It's generally agreed that railroads should be investing tremendous sums of money for improvements—in equipment, plant, service. Where is this money coming from?

A. Without any doubt, this is our most pressing problem today—and it will be tomorrow. We have several sources of funds—retained earnings, depreciation, borrowing. But when you look at these sources—and what they mean—you realize that the money, in the final analysis, has to come from retained earnings. We have to improve railway earnings. As matters stand, there's no other way to generate the money we need.

Q. Santa Fe itself, I believe, has had to tap the money market—despite high interest rates, tight money supply . . .

A. Not so many years ago, our entire debt structure could be set forth on two lines in the financial statement —our general mortgage debt and our adjustment mortgage debt. But with the inflated costs of doing business and with the need to improve our capabilities, we've had to borrow extensively—mainly on equipment.

Q. As a practical matter, how will Santa Fe be affected by the Tax Reform Act of 1969—faster amortization as opposed to the investment tax credit?

A. Santa Fe will be adversely affected by the Act. For one thing, we have a large amount of investment tax credit carryover which at the end of 1969 was about $23 million. Based on present projections of income, our adoption of the five-year amortization would result in our forfeiting a substantial amount of this investment tax credit carryover. At the present time, it appears desirable—in our particular situation—to stay with the regular guideline depreciation and forego the rapid write-off. Of course, this decision could change if there were a sharp improvement in our earnings picture in future years. However, even if we did not have this carryover tax credit to protect, or if there were always sufficient taxable income to permit free choice of one or the other, our choice would probably be to retain the investment tax credit—because, according to our calculations, it would produce a cash flow advantage after taking into account all of the provisions of the 1969 Tax Reform Act, including the 10% preference tax assessed on the excess of the amortization over the normal depreciation.

Q. Santa Fe recently won ICC approval for an exemption on the competitive-bid requirement on a $37 million equipment trust issue. What is the status of this proposal—and what will it mean to the railroad?

A. On Jan. 20, Santa Fe filed a 20a application with the ICC for authority to issue $37 million principal amount of Equipment Trust Certificates due March 15, 1985, covering 80% of the cost of 120 new diesel locomotives and 788 freight cars estimated to cost $46,250,000. Through private negotiation, Salomon Brothers & Hutzler and Francis I. duPont, A. C. Allyn, Inc., were selected to co-manage a group of investment bankers which will purchase the certificates. To the best of my knowledge, this will be the first railroad financing of this type. It will permit us to finance most of our 1970 equipment at a single interest rate and a single maturity. We expect this type of financing to be more marketable than debt privately placed, or sold under the so-called conventional Philadelphia Plan.

Q. There has been talk of creating a national transportation trust fund to help finance improvements in all areas of transportation. . . .

A. Yes, there has. But I'd have to see a more detailed proposal before I would venture an opinion. I have been very reluctant to consider any form

of subsidy. Subsidy eventually can lead to the continuing of services or the maintaining of facilities which, by all laws of economics, should be disposed of. You can find yourself in a real nightmare situation. But I would say this: If railroads are to be required to do things which have no economic justification, then there has to be some sort of public support. Something will have to be done to assist us with those investments forced upon us—and which have little or no economic return.

R&D

Q. Still in the investment area: Santa Fe has been "volunteering" itself for investments in the R&D area—both service and technology. You have the locomotive and train simulator project, the coaxial train, "Super C," the upcoming test-track project with DOT, various new developments in the mechanical area. How do you relate an individual road's R&D responsibility to that of the industry as a whole?

A. There's a lot of honest difference of opinion on this question—and good reasons for it. The railroad industry, by its very nature, must have complete equipment interchangeability. To some extent this is a requirement that has impeded equipment innovation and progress. At the same time, it is this interchangeability that makes railroads the flexible national transportation system that they are. In the freight-car equipment field, any product of research developed and financed by one railroad of necessity is used on the others. I think this has been a primary justification—and, to some extent, perhaps a rationalization—for turning over to the supply industry a large portion of responsibility for equipment development. So if you are talking about locomotives or freight cars, or even the basic track structure over which they operate, these are areas that can frequently be best handled as an industry- or supplier-oriented research effort. Yet you still have privately owned railroads competing with each other for ways to develop improved transportation service, and there are some other areas where an individual railroad can still beneficially go its own way—perhaps mostly in service areas rather than in technological areas.

Q. Isn't the coaxial train an exception to that theory?

A. In a way, perhaps it is, and I think the same thing could be said about the tri-level automobile rack car that was first produced in our Topeka Shops back in 1960. The coaxial train would represent an entirely new kind of technology. But even if it were operated entirely on our own lines, service interchangeability could still be maintained with other railroads or even with motor carriers—since the coaxial is designed to be a container train.

LOCOMOTIVE SIMULATOR reproduces train sounds, sights and movements.

Q. Do you plan to continue developing the coaxial train as a Santa Fe project? Or would you prefer entering into a cooperative effort?

A. For the moment, we're satisfied to go ahead on our own. There are major engineering questions—and I think we want to get answers to those questions before we ask anybody to participate with us, and put money into the project. But if we determine that the concept is sound, I don't believe we would have any reservations about getting the assistance of private manufacturers or, possibly, working with DOT.

Q. DOT might be quite interested, as I've heard they are—if for no other reason than to get a major undertaking that isn't so passenger-related.

A. Of course, DOT is very sensitive to the passenger problem—partly because of the tremendous concentration of people in the eastern corridor. They haven't really had an opportunity, I guess, to get into the part of our industry which is the main element of importance to the American people—freight service. I hope they do get more deeply involved. We have urged them to do so.

Q. When we talk about "industry effort," there are times when pessimism creeps in. A number of people have called attention to industry difficulties in solving industry problems. On such a specific thing as the ACI program, there has been halting progress. . .

A. So far as ACI is concerned, it's my impression that there were extensive differences of opinion in the industry at the time the ACI decisions were made. But the decision was made, to go ahead. In one sense, I'd say that this reflects an industry ability to cooperate, even when agreement is not unanimous. You have to realize, too,

"Super C has shown how railroads can still make history these days through a service innovation."

COAXIAL TRAIN will haul containers.

that the usefulness of ACI to one road may be greater than it is to another—depending on the nature of the railroad, its size, even the type of information system installed or planned. I do think it's generally agreed that ACI will be quite valuable in insuring accuracy of input information—and this is the main reason Santa Fe has endorsed the system. I am confident it will be carried through to completion.

MERGERS

Q. Comment about "industry effort" always gets around to the fragmentation of the industry—the rich and the poor, the large and the small. What kind of future do you see for consolidation? For instance, do you believe the Supreme Court decision in the Burlington Northern case will tell the ICC something, and perhaps get the so-called merger movement moving again?

A. The decision is encouraging—particularly the philosophy to the effect that mergers may be justified even among relatively well-to-do railroads where service can be improved and economies can be effected. I should add that I'm still a firm believer in competition among railroads. I don't know exactly what this means in terms of the number of carriers serving a given territory. But I would hold to the phi'osophy we expressed a few years ago in the Western Pacific case—namely, that when you get competition down to three roads you're pretty close to a minimum, when you get it down to two you're *at* the minimum, and obviously when you get it down to one you have no inter-railroad competition.

Q. How do you regard the matter of inter-regional railroad cooperation—which often seems to be more a thing of conflict than of cooperation, when you consider per diem cases and divisions cases and so forth?

A. It has always been recognized by western lines—certainly by our railroad—that our interests are best served if there is a strong rail system nationwide. The eastern railroads, in particular, have problems. And we have had disagreements about how to strengthen weaker roads. Yet we don't believe that the weaker companies should be strengthened by penalizing the stronger roads—weakening one group to bolster another. All of us are well aware that a service breakdown almost anywhere, in any section of the country, has broad repercussions. You may think of Santa Fe as a vast system, Chicago to the Pacific and Great Lakes to the Gulf. But about 60% of the tonnage we handle involves movement over one or more other roads. We *have* to be concerned about the well-being of the entire industry. If the eastern roads collapse, we're dead too.

PASSENGER SERVICE

Q. But the whole industry does seem to be suffering from problems in the East—possibly because eastern lines are so visible to government and to media.

A. It's a sad thing, that the public relations efforts of the industry seem to fall on deaf ears—because people find it difficult to relate what we're saying to what they're seeing. If there were a Chicago & North Western-type commuter service operating around New York, for example, I think there might be a much different public attitude toward railroads along the eastern seaboard. But we have problems, too. My friends here say I'm using the wrong word, but I say it's a socialistic attitude on the part of the ICC to force the Santa Fe to continue certain passenger services that are not really needed. We've tried to be good guys—to run a first-class passenger service. Now, we're paying the price. We're being turned down in train-off cases where we have even fewer passengers and a bigger red-ink figure than those which our neighboring roads reported in train-off cases which the Commission has approved. The ICC seems to believe that so long as your *company* is making money, you can sweat out passenger-train losses. And I say that's a socialistic viewpoint. I suppose if they beat us down to the point where we're in the same shape as some of the poorer roads, then they'll say, "Well, maybe you *can't* afford to run these trains any longer." What we need is a new determination of this phrase "public interest." I get rather irritated by some of the silly editorials I see—about how this train or that train must be preserved for the "public interest." Perhaps we could pledge that if we were permitted to drop an unused, money-losing passenger operation, we would immediately order x-number of covered hopper cars for grain service in the territory the passenger trains serve. Then the communities involved might realize that this is where the real public interest lies today. It surely can't lie in forcing us to maintain costly passenger train service for a handful of riders and thereby preventing us from improving much-needed freight service in the same territory.

Q. The fact that Santa Fe did have a good year in 1969 would seem to underscore the point.

A. It's only fair to point out that "good" and "bad" years depend on the bases you're using for comparison. There have been times when our company has been pointed to with less enthusiasm. You have to consider a number of things—for instance, the state of modernization of the property. You'll recall that Santa Fe was

dieselized very early in the game—so we squeezed most of the savings out of dieselization during a period in which many other roads were just going through the transition from steam to diesel. Year-to-year comparisons have a way of leapfrogging, when you try to relate one road's performance to another's, or even when you try to measure an individual company's year-to-year performance.

COST CONTROL

Q. Santa Fe's improved earnings in 1969 came, I believe, on relatively modest revenue increases. This would indicate substantial progress in cost-reduction, despite steady labor and material cost increases. What can you do—what have you done—on your own, to improve earnings capability?

A. We did accomplish some very important cost reductions—and I would attribute most of this to the energy of some of the people who moved up into top jobs toward the end of 1968, and particularly in the operating department. With a certain amount of outside help, we've made extensive studies in our mechanical department shops, in our M/W equipment shops and in our clerical areas. We also formed an internal task force to follow-up on indicated changes and savings. There were some benefits, too, from passenger-service reductions in '69—with passenger train-miles reduced about 16%. And we adopted a new budgeting system which, if it accomplished nothing else, made our people—right down the line—more conscious than they had ever been of the importance of the expense dollar. This is really paying off.

Q. Then your cost savings are true savings—not temporary savings that will have to be paid-for later?

A. Yes, I believe so. A railroad in any short period of time can make apparently-great cost reductions merely by deferring maintenance. We have not done this. We have gone in the opposite direction during the past two years. We laid about 300 miles of new rail in 1968 and about 350 miles last year. In each of these years, our tie renewals have run to about 1.5 million ties. Both the rail and tie programs represent heavier expenditures than have been typical. I believe that our combined maintenance of way and equipment ratio for the past two years is just about the highest of all Class I roads.

Q. And you anticipate continuing maintenance at about the same levels?

A. We do. At the same time, it's hard to predict this with absolute certainty. If we should drop into a serious business recession in which traffic falls off, naturally we would trim our programs to take this into account—particularly in M/E where the equipment is just not being used.

Q. Santa Fe's showing should be noted with interest in the financial community. At the same time, there is an occasional barb tossed in your direction, as regards quality and quantity of analytical information provided.

A. So far as I know, we've had a fine relationship with the financial community. We've always tried to talk with every analyst who wants to talk. But we do have fairly strict ground rules—and they're along the lines of procedure which has become mandatory, you might say, in the eyes of the SEC. For example, we will not tell an analyst anything we will not tell our shareholders at the same time. We also have a procedure under which analysts are asked to confer only with officers in the executive department. That's policy—and I think it's the only proper one for us.

SUPER C

Q. You mention ground rules, policies and procedures in this context—and I think Santa Fe is generally regarded as a tightly-run operation, overall. Yet you've also done a certain amount of gambling—for instance, in the case of starting-up "Super C" and then sticking with it through thick or thin, mostly thin in the early days.

A. We conceived "Super C" on the theory that shippers would be willing to pay a premium for speed and dependability. We're aware that any shipping decision is based on a mix—cost, time, and service considerations. Rarely do you find acceptance of the idea of speed at any price. But we thought the "Super C" principle deserved a test. We thought we could develop new traffic—traffic that was then moving other-than-rail in trailer-load quantities. The radical decision was simply this: We offered the service without really knowing whether the traffic was there. We committed ourselves to running that train every day that there was any traffic for it. As you know, railroads have been accused in the past of saying they *would* perform a given service, *if* the traffic existed as a previously-determined fact.

Q. And your assessment of the success of the operation?

A. It has not been a complete success so far as commercial shipments are concerned. Perhaps a further adjustment of rates may have to be made. But, the service has been extremely attractive to the U.S. Post Office, and it has been that traffic which has helped make the train a financial success up to this point.

Q. And it has been, of course, very much of a success from an operating standpoint—giving you a wealth of new experience in high-speed TOFC/COFC train operation . . .

"I believe that our combined maintenance of way and equipment ratio for the past two years is just about the highest of all Class I railroads."

A. We made extensive tests before we offered the service—both by computer simulation and by actual over-the-road running. As you know, we started out with passenger power on "Super C." But we found that we didn't need to operate at such high speeds in order to meet or beat the advertised 40-hour schedule. With this in mind and with the increased tonnage on the train, now we're using locomotives out of our regular main-line freight pool, which are good for 80 miles per hour.

Q. There's another angle to "Super C"—and that's the matter of everybody on the railroad considering that train as his "baby." From talking with your operating people, I would judge that you've developed a kind of pride—or involvement—that really brings management and the employees together in a common effort. How can you relate something like

this to the broader problems of the manager and the employee?

A. "Super C" has indeed been a morale booster. It has given our people a sense of pride in its successful operation. It has also provided an example of how the railroads can still make history these days through a service innovation. At the same time, "Super C" has perhaps highlighted our basic problem of outmoded wage agreements that unduly increase the cost of operation. "Super C" isn't much different from any other train in the way it's manned. We're operating it, as well as our other trains, under rules and practices set up decades ago. Sometime, the organizations—I hope—will recognize that if this industry is to survive, something has to be done about the "day's work" of the average man in through-freight train service. When men are earning their day's pay for two or two-and-a-half hours' work, something is wrong. Some of the examples I could cite are pretty discouraging—or maybe I should say they're encouraging, to the extent that there *is* so much improvement we could make. If organized labor would agree to a redistribution of the workload, it would help our cost position and our competitive position. In my opinion, it would turn the industry around—and eventually create more jobs. But this is a terribly difficult area for labor people to operate in, I know, because of the practicalities involved in running a labor organization.

Q. There would be some form of tradeoff . . .

A. You might have to consider, for example, consolidating all of your present crew districts. I'll make no bones about it, there has to be a stretching-out of the work performed by individual crewmen, with a lower cost or wage-rate per mile. Of course, the industry will have to be willing to share with the employees the cost reductions which they have a part in accomplishing. And no, I'm not prepared to say how this might be done. That's in the hands of our personnel/labor relations people—who are studying such proposals as might be offered to the organizations at some future date. Our job will be to convince our railroad people that their only true job security will rest in helping us realize fully the inherent cost advantages of rail transportation. This in turn will permit us to price our services more competitively. When that is accomplished, we will have all the new traffic—and new jobs—that we can handle. ■

Do shippers read Railway Age?

"A few weeks ago, I read an article in **RAILWAY AGE** on minitrains. We had previously noted the introduction of miniships on the Mississippi River system and had begun an examination of their potential significance to military shippers. But minitrains were something new.

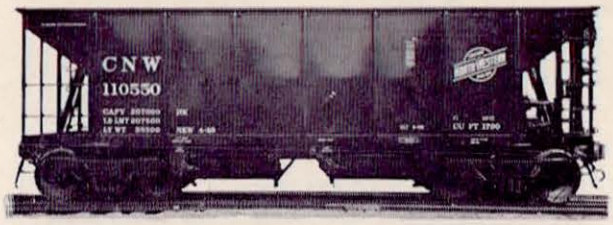
"The article reported that the Illinois Central and the Penn Central were using dedicated equipment on a shuttle basis to move sustained traffic between specific points and said that they were getting outstanding equipment productivity and commensurate cost reduction from the operation.

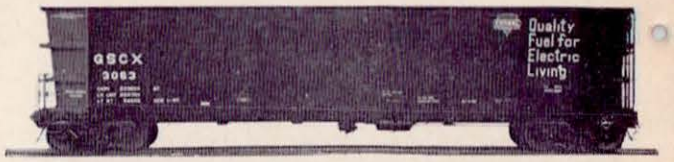
"I wrote to the presidents of both roads telling them that I had seen the **RAILWAY AGE** article and inviting them to consider how this good idea could be applied to military traffic. One possibility that comes to mind immediately is movement of ammunition from plant to port. There undoubtedly are other operations within the military procurement and supply field where components must be moved between manufacturers and assembly plants on a repetitive basis and minitrain operations would be advantageous.

"My inquiry to the railroads was not a function of my position as Commander of MTMTS; it was a function of my curiosity and interest as an individual, who goes to bed at night and gets up in the morning and puts on his pants one leg at a time like the rest of you. If anything comes of my inquiry, it will be the result of an individual mind reacting to facts. It was perfectly proper for me to take this kind of action, but it would be a very sad situation if I were the only person in MTMTS or the carrier industry reading **RAILWAY AGE** and wondering how we could use minitrains."

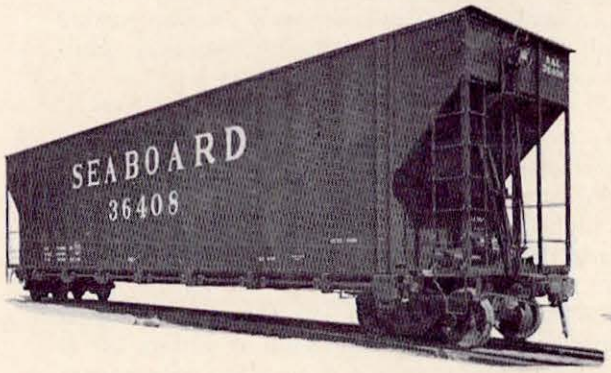
—Major General Clarence J. Lang in an address before the Eastern Area General Traffic Management Conference at Atlanta, Georgia, March 2-4. General Lang is Commander of Military Traffic Management and Terminal Service for the U.S. Government and may very well control more traffic than any other single shipper.

ORE, AGGREGATE AND COAL . . .

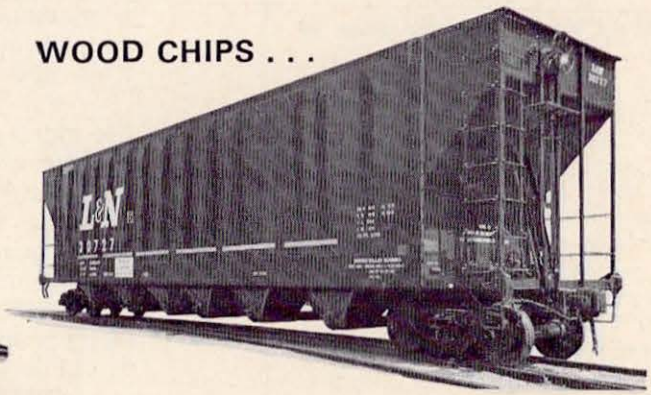


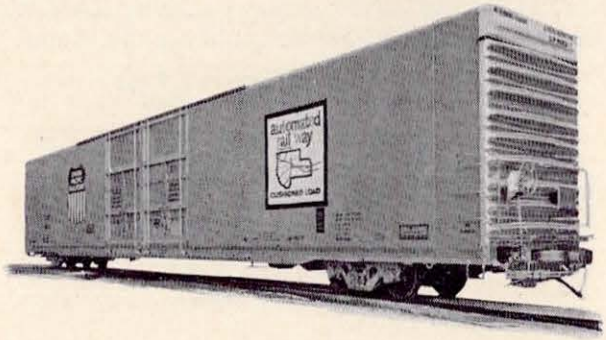


If you think you need special cars to win more traffic in the '70's, you haven't talked to

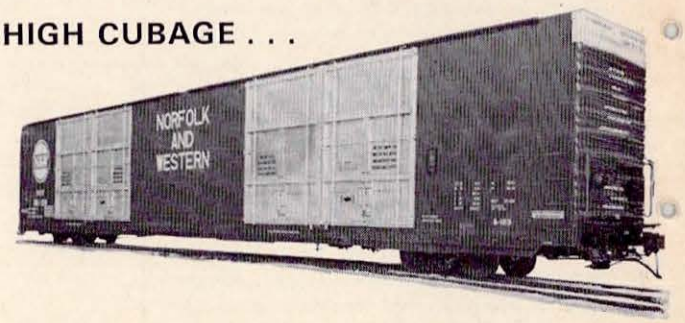


WOOD CHIPS . . .





HIGH CUBAGE . . .



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There's no doubt that competition will be stronger than ever before between the roads themselves and between rail and other carriers. But one thing is clear: The roads equipped to handle the ever-changing variety of sizes, shapes and types of cargo will handle the profit tonnage of the '70's.

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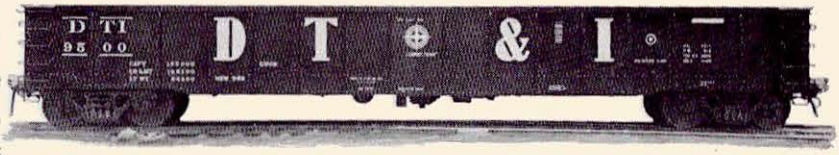

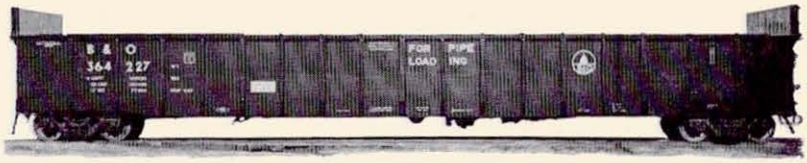

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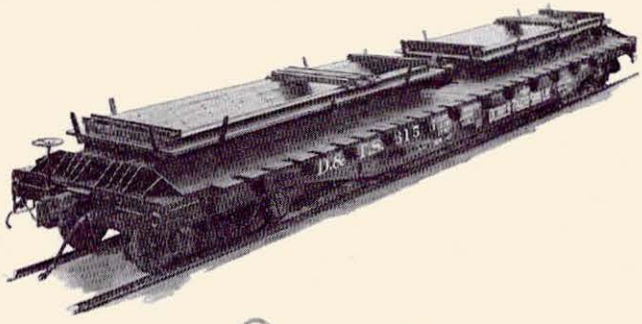

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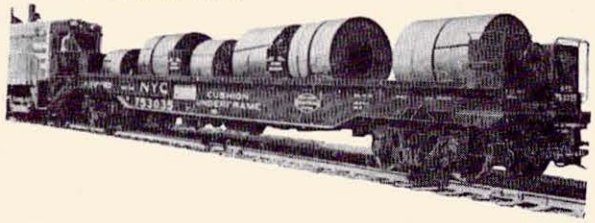

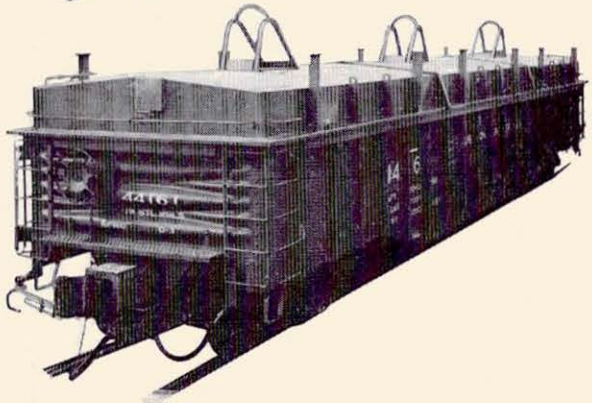

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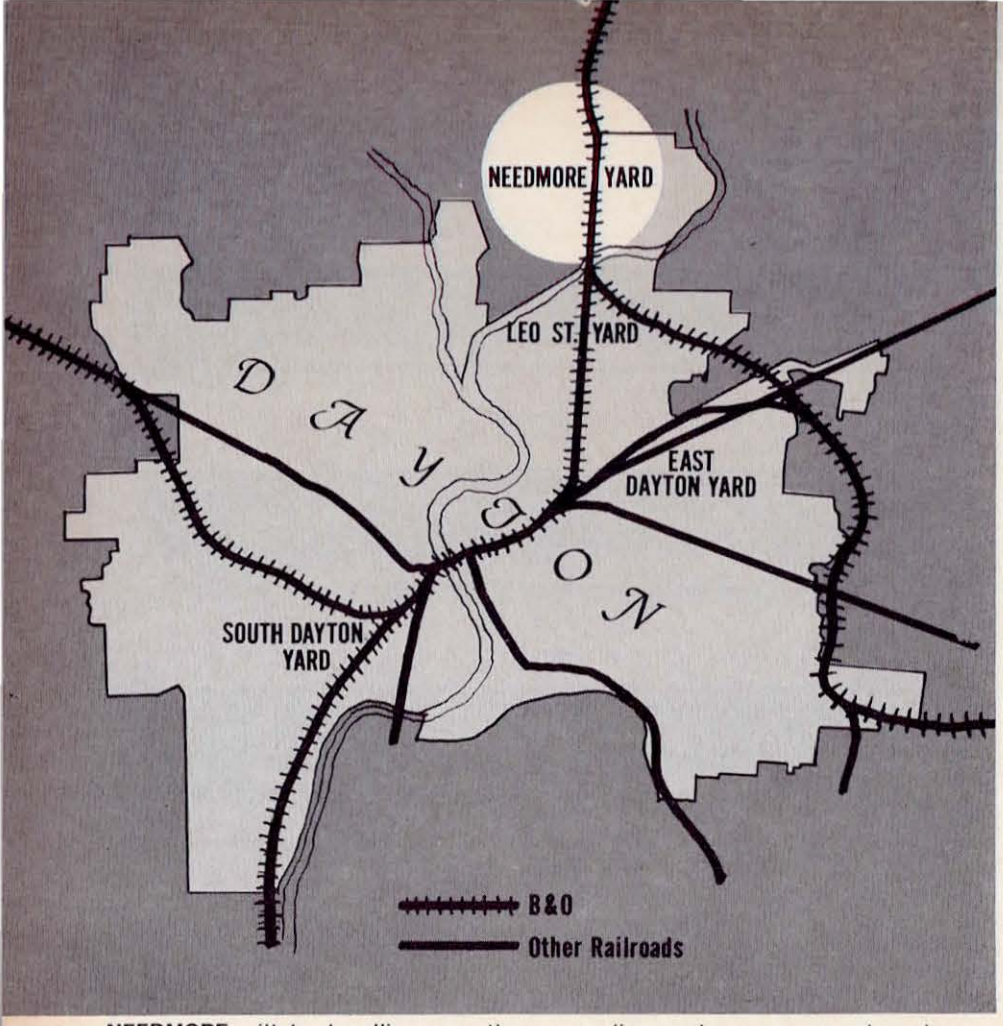
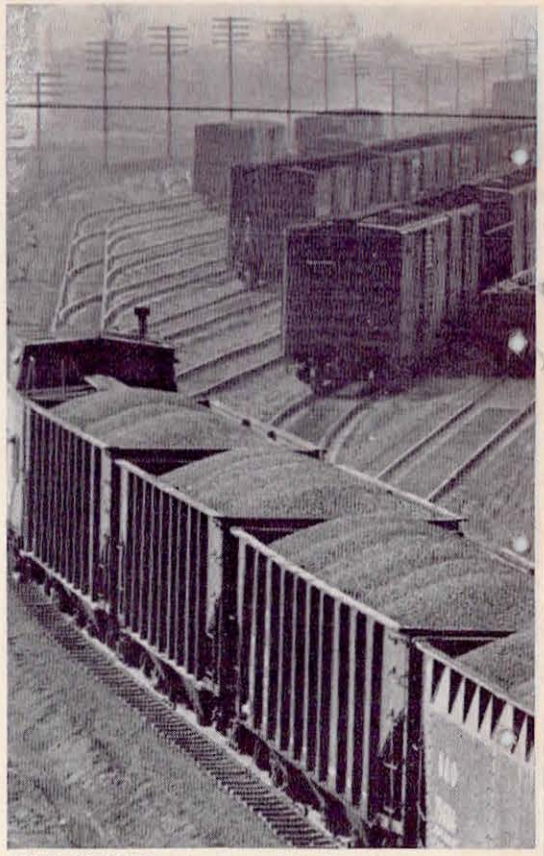


NEEDMORE will be handling operations now dispersed among several yards.



NEW TRACKS at expanded Needmore yard

Rebuilt yard will speed rail traffic

For Chesapeake & Ohio/Baltimore & Ohio, the day is near when a carload of auto parts, foundry products or air conditioners can move through Dayton, Ohio, without a map and compass and a large waste of time.

By late April, the railroad expects to finish the trackwork for one rebuilt yard that will be able to handle operations now scattered among three yards. A fourth yard will be a direct beneficiary.

Although refinements such as a new two-floor yard office will follow this summer, the expanded trackwork in the railroad's Needmore yard on the far north side of Dayton will start paying off right away.

● **No more cross-hauling.** The extra tracks will mean the end of a bad dream called cross-hauling. That is, the zig-zagging, time-killing, damage-dealing movement of a car that can't get directly to the yard for which it is destined, once it is set off by a through train. Or, vice versa, the movement of a car that can't get directly to a classifying yard for pickup by a through train, once the car is ready to move from an industry. Involved in such a move is a third yard for holding the car until it can move for delivery or pickup. The need for a third yard arises when small yards are smothered by traffic and have to rely on each other to soak up the backlog.

The new track means that:

—One switching will be enough for most moves through Dayton that now take two to four (often more) switchings.

—C&O/B&O will save a conservatively-estimated $60,000 a year in per-diem charges.

—The railroad will gain at least 1,000 car-days per month.

—Valuable downtown land will be freed for industrial development.

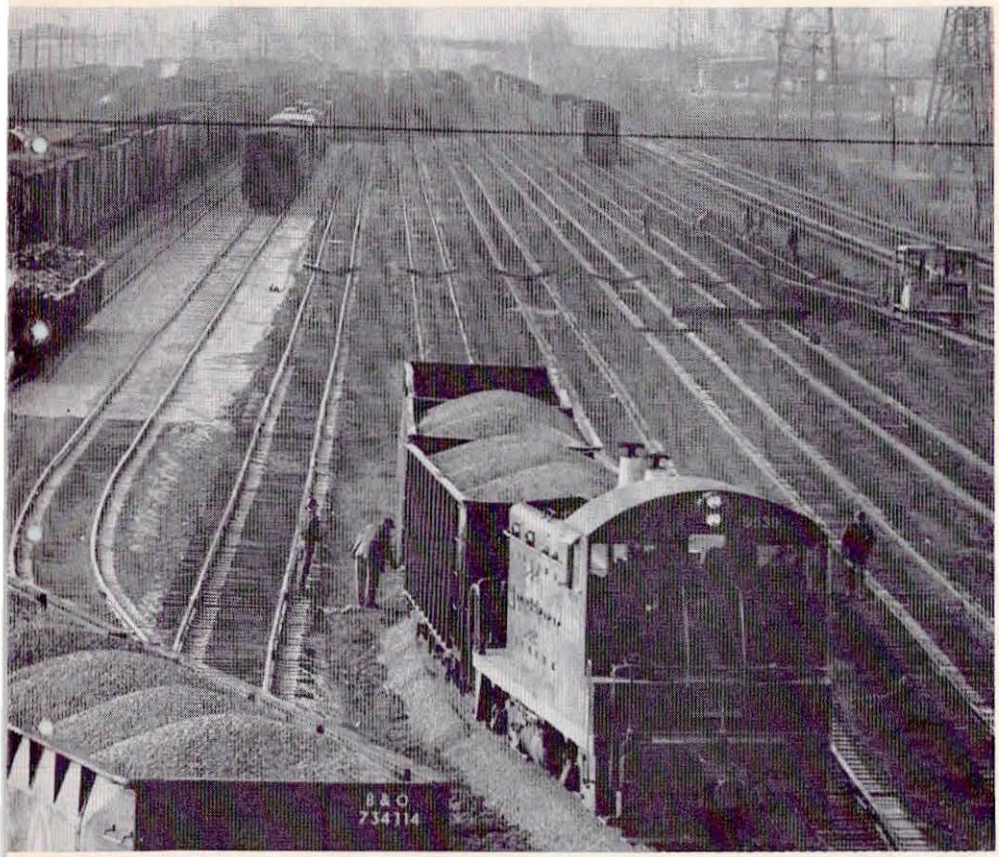
—Shippers in the area will see service improved by as much as 24 hours in many instances.

Put in the words of C&O/B&O Superintendent Edward C. Moorman, the payoff is that "We can keep pace with the expansion of a highly industrialized city. We will raise efficiency to get maximum car utilization, early dispatchment, less freight loss and damage. We will be able to remain competitive with other railroads and other modes of transportation."

Put in the words of a customer, Joseph Dorn, traffic manager for the Inland Manufacturing Division General Motors, the payoff is that "when our bill of lading says today, it'll be today."

● **$1.4 million for 180% expansion.** Supporting those statements is a C&O/B&O investment of $1,406,307 for expansion of the Needmore yard. Needmore is growing from six yard tracks to 17—from a capacity of 484 cars to one of 1,356. That's a 180% increase both ways. All the trackwork includes welded rail and pre-fabricated switches. A car-repair track and facilities for light repairs of locomotives are included. There will be a new yard office. And a weigh-in-motion scale is coming. To hold it all, the Needmore area has grown from 15 acres to 40.

As Needmore expands, two other yards will shrink to barebones and a third will finally be able to breathe. The other yards are Leo Street (north-central Dayton), East Dayton and South Dayton.



are already doing a good business. Car capacity at the yard will go from 484 to 1,356.

through Dayton

● **Fractured operation.** Now, the makeup and breakup of the 11 C&O/B&O trains through Dayton each day is spread among Needmore, Leo Street and East Dayton, all of which also have industries to serve. The fourth yard, South Dayton, is an overburdened support facility for the railroad's largest Dayton concentration of industries.

The zigzag potential for routing through Dayton can be seen from a breakdown of each yard's activities.

At Leo Street, capacity 215 cars, four trains set off their Dayton-bound traffic and three trains both set off and pick up.

At Needmore, former capacity 484 cars, the four trains that set off at Leo Street make their pick-up, and two trains make both set-off and pick-up.

At East Dayton, capacity 232 cars, two trains set off and pickup, and the overflow from other yards is stored.

At South Dayton, smallest of all with a 206-car capacity, some of the railroad's biggest customers are served in a situation that one traffic manager calls "one hell of a bottleneck." One customer alone sometimes can have more than 100 cars coming in on one day.

● **Car 42, where are you?** To see what that can mean for a hapless carload, consider the case of a car arriving at Leo Street for delivery to South Dayton, just four miles away.

The car is set off at Leo Street at 6 a.m. But South Dayton is having a rupture, and the car will have to wait to go there. It can wait in Leo Street only so long as Leo Street has room. If the car is lucky, it will stay at Leo Street until that afternoon. Then as Leo Street fills up, and depending on the availability of a switching crew, the car will move to East Dayton for another wait. It may get to East Dayton around 5 p.m. Most likely, it will spend the night there. Early the next morning, it will move again, and it may arrive at South Dayton by 6 a.m. That's 24 hours, to go four miles. It might take longer, as Moorman understates: "We might lose a car trying to get it through."

That process works equally well in reverse, for an outbound car. As Moorman describes: "Cars originating in the South Dayton area must be transferred to Leo Street or to Needmore for dispatchment. On occasion, because of congestion in the South Dayton yard, Leo Street and Needmore, it is necessary to move such cars to East Dayton for later movement to Leo Street or Needmore."

Adding to the confusion is the fact that neither Leo Street nor Needmore has a scale. South Dayton and East Dayton do. So, cars outbound from South Dayton can be weighed right there, cars outbound from Needmore and Leo Street, as well as some cars picked up from through trains must move in transfer to East Dayton where scales are located. After weighing they must be moved back to Leo Street or Needmore where they are again switched and classified for dispatchment north and south.

There's yet another element to cloud the picture. At East Dayton itself there can be extra switchings beyond those needed to get a car to and from East Dayton. Cars stored there are constantly being shuffled to get as many moving together to one place at one time as possible. And each extra switching, Moorman says, means an extra chance for damage.

● **One day will be saved.** In the future, things will be different, with the main difference the elimination of the 24-hour gap.

"With the Needmore expansion," Moorman says, "all facilities will be in one area. That will allow us to handle all road trains into, out of and through the Dayton terminal at this one location. That will make it possible to classify cars properly with only one switching operation." That will also make it possible, for the move from a train to a South Dayton industry, for example, to be made directly from Needmore with no intermediate storage or switching.

● **Not a day too soon.** The Needmore expansion, Moorman says "couldn't come too soon." Dayton business that already has outgrown C&O/B&O capacity just keeps on growing. Although Dayton is served by Penn Central and Erie Lackawanna, too, C&O/B&O (Dayton is a B&O point basically) handles more than 60% of the city's rail traffic. For C&O/B&O, that means about 3,100 cars a day through the city.

For 1969, the railroad's 22 biggest Dayton customers produced about a 4% increase in traffic. Included in that, however, were some far bigger increases for some of the biggest customers.

General Motors' Inland Division, for

(Continued on page 95)

Fashions in Freight

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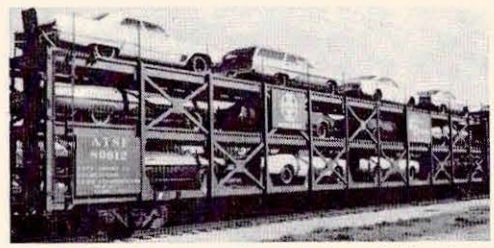

A must for the automotive set: the multi-level Autoveyor. It's a Santa Fe original, to carry automobiles, trucks and other types of vehicles.

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Look for the name "Super Shock Control." It's the special underframe on many types of Santa Fe cars to provide damage-free shipping.

Circle 7 on coupon page 81

Shippers and railroaders call L&D a

Rough handling in transit, and improper loading practices are cited as major causes of L&D by respondents to the March Traffic Poll. However, the consensus is that shipper and carrier must work together to tackle the problem effectively.

Who is primarily responsible for loss and damage—the shipper or the carrier?

Shippers, while acknowledging that they need to put their own house in order, tend to place the major blame on the carrier. Out of 90 shippers responding to this month's Railway Age poll, for example, 70 list rough handling in transit as the No. 1 cause of L&D.

Railroads concede that they must accept a large part of the responsibility for loss and damage—but 32 railroad L&D-prevention officers, responding to the same poll, emphasize areas of customer culpability. For example, 28 of the 32 respondents place improper loading practices high on the list of L&D causes. Many railroad respondents also indicated that much loss and damage is attributable to excessive switching impacts.

● **Cooperation needed.** For the most part, however, responses to the Railway Age questionnaire suggest that railroads and their customers view the L&D problem as a joint affair. Many respondents offered case histories to show what can be done to solve specific problems when both sides work together.

For example, G. E. Conklin, traffic manager, Pennwalt Corp., Philadelphia, Pa., writes:

"We are working together with the involved railroad on a program of car modification which is designed to reduce damage on shipments being made between the same two points in assigned cars. The railroad sales department is working with the Operating Department to correct poor handling in a specific yard which was found by an impact recorder."

Another example of shipper-railroad cooperation comes from J. Robert Morton, director of corporate traffic, Combustion Engineering, Inc., Windsor, Conn.

Combustion Engineering Glass, writes Morton, "was experiencing a sharp increase in damage to glass shipments from Floreffe, Pa., to Miami, Fla. The three railroads, together with our Glass traffic and shipping people, worked on the problem. Cars were inspected in transit, shock recorders were used. Claim prevention and loading people, as well as traffic people, inspected cars being loaded. Cars in transit were stopped for inspection. New loading and storage methods were used, as was cushion underframe equipment. In a period of three months, we are happy to report, cars are received with no damage at destination."

● **Meetings can help.** "We have had a number of joint L&D problem-solving sessions with rail carriers over the years," says R. H. Heilman, director of transportation and distribution, A. O. Smith Corp., Milwaukee, Wis. "One of the more recent involved carload shipments of auto parts.

"These particular parts had been shipped in pallet boxes in regular box cars. We had numerous complaints about the condition of the parts upon arrival at destination. The parts, being by nature quite heavy, were bursting open the boxes and arriving at customers' plants in a condition requiring inspection, sorting and extra handling. Meetings with the carriers resulted in a change to a different type of returnable container or 'bin' and the loading of same in specially prepared railroad equipment. Today we are loading much heavier—with little or no damage."

C. A. Hoppe, general traffic manager, S. C. Johnson & Son, Inc., Racine, Wis., says he believes the leading causes of loss and damage are excessive switching impacts, rough handling in transit, general car condition, and, in fourth place, poor loading practices. Hoppe ranked improper packaging by shippers as No. 10 among the causes of L&D. However, he is among the shippers who think that rail-customer cooperation can help the situation.

"We have obtained the cooperation of several railroads in assigning insulated cars equipped with damage-prevention devices for our use to supplement our own fleet of 113 specially equipped cars," Hoppe writes. "These cars withstand excessive impacts and rough handling much better than ordinary box cars."

● **Better handling needed,** J. J. Kelly, manager of distribution operations, C&H Sugar, San Francisco, writes that better handling is the key to reduced claims payout.

"Our company has a positive attitude toward the loss and damage situation," Kelly says. "In the past year, we have substantially strengthened most of our case goods, redesigned packages and eliminated a bag that proved inadequate, among other things. A committee of top management was formed to review the over-all problem and recommend solutions. The above are some of the results. This is a continuing program which has shown excellent results and we expect more of the same.

"For all this effort, we still experience considerable damage caused by rough handling and switching. The operating personnel of the railroads do not really seem to put forth the necessary effort toward better handling.

"One bone of contention we have," Kelly concludes, "is the destination inspection report. More and more we see the same trite phrases, 'damage caused by loose loading' or 'damage caused by improper loading.' I've yet to see one that says 'damage obviously caused by rough handling.' We know carriers are furnishing better equipment with shock control and/or load-restraining devices, but these don't help on 9-, 10-, 11- and 12-mph impacts."

● **Low claim ratio.** R. H. Rutledge, traffice manager, Olympia Brewing Co., Olympia, Wash., answers the Railway Age questionnaire by saying: "We contend that without care in warehouse handling, loading, transportation and unloading, the best packages will be damaged. The opposite is that a minimum package with proper care in handling and distribution will be an adequate package. We are convinced of this and our claim record will prove it.

"We have for years loaded our cars to 130,000-140,000-lb average, yet our claim ratio per $100 of revenue is one of the lowest.

"We know we have many things that go into successful transportation and distribution: (1) finest loading docks and equipment to work with; (2) warehouse and loading crews dedicated to doing an exceptional job; (3) planned loading procedures; (4) continuous follow-up through field trips and reports; (5) good carrier-shipper relationships.

"Many people will call these 'stereotyped' phrases which, of course, they

joint affair

are. To us, though, they are important, for each one of them eliminates some cause, either real or potential, of damage."

● **Defective cars.** Henry M. Karel, director of distribution, Cleo Wrap Corp., Memphis, Tenn., says that general car condition is the primary cause of loss and damage.

"We are forced to fix side walls, flooring and, in many instances, spend an average of two hours per car to put it in some sort of condition so that our merchandise can be shipped to our customers.

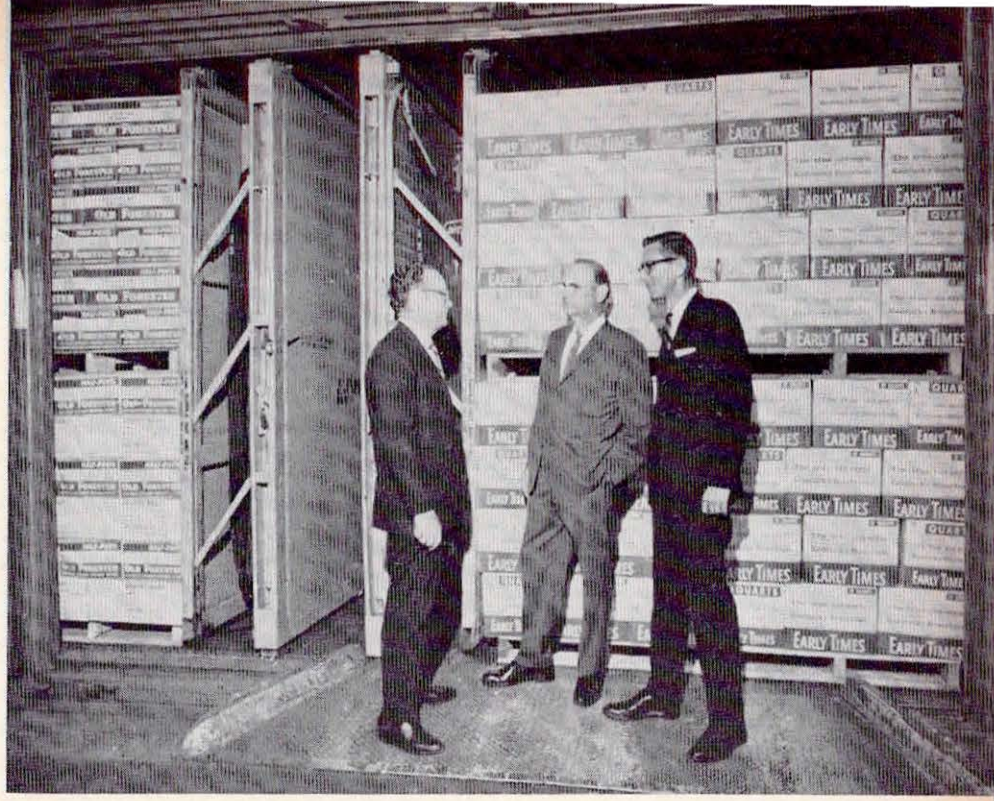
Rough handling in transit is cited as the primary cause of loss and damage by T. E. Jasin, general traffic manager, Babcock & Wilcox Co., Barberton, Ohio. Coming directly behind, in the following order, are excessive switching impacts, an inadequate force of L&D-prevention specialists, inadequate inspection by railroads and shippers.

"We have experienced load shifting and damage to shipments resulting from rough handling in transit," he comments. "We are expending time and money to secure shipments in excess of railroad rules and requirements. We are requesting reports and photographs of shipments received at destination in a damaged condition and analyze these reports and photographs to aid in eliminating the rough handling. We keep our shipping people informed about shipments they have made which have been received at destination in a damaged condition.

"The Regional Shippers Advisory Boards," Jasin concludes, "have conducted joint railroad-shipper meetings and, also, the railroads have conducted meetings with operating personnel to emphasize careful car handling. The interchange of information developed from these meetings has helped. However, unless the program is continuous, it loses its effect. Concentrated efforts on careful car handling should be a 12-month program rather than a one-month program."

Erwin Rosenzweig, traffic manager, Longview Fibre Co., Longview, Wash., also puts rough handling in transit in first place as an L&D cause. Next he mentions excessive switching impacts, poor loading practices and inadequate inspection by railroads and shippers as well as general car condition.

His company, he says "is using more inflatable dunnage to protect loads of paper rolls and products, and is working with consignees to obtain better unloading or material-handling equipment to unload large rolls of paper with 'grab equip,' enabling all cars to be loaded with rolls on end rather than on sides, thus reducing damage."



HALF-A-MILLION BOTTLES—NOT ONE BROKEN: A dramatic example of the effectiveness of special anti-damage equipment is a case history involving transcontinental rail shipments of 500,000 bottles of liquor. The bottled liquor was shipped, during the past 10 months, without a single incident of breakage in transit. The shipments were protected with Evans Dual Air Pak inflatable bulkhead systems, which prevent side and lateral shifting of cargo in transit. Use of the system also cuts costs because of reduced loading and unloading times. Discussing one shipment are (right), Dan Callaghan, Penn Central special equipment officer; Wayne Franklin (center), director of traffic, Brown-Forman Distillers; and A. L. Horstman, PC freight sales manager-beverage and sugar.

R. C. Avery, traffic manager, Neisner Bros., Rochester, N.Y., says his company has "discussed with our shippers the need for careful loading, including the securement and bracing to protect against excessive impacts. In our opinion, they have reacted quite positively through better loading and the use of impact recorders on subsequent loadings to determine where excessive impacts might be occurring."

● **Improvement seen.** General car condition is listed as the No. 1 cause of loss and damage by E. W. Olson, traffic manager, Vermont Marble Co., Proctor, Vt. Then, in this order, he cites too few cars equipped with special L&D-prevention devices, excessive switching impacts and rough handling in transit.

However, Olson adds, the situation "is gradually improving, due to the demand for special rolling stock. Railroads are acquiring more and more specially equipped cars to alleviate the problem, which should reduce L&D costs. If shippers would contact the Freight Loss & Damage Prevention Section of the AAR with their shipping problems, much experience and advice can be offered to improve methods of loading and blocking shipments to prevent damage in transit."

T. J. Rowan, Mandan Creamery & Produce Co., Mandan, N.D., writes that "since the changeover from steam to diesel power, freight trains are too long and too fast, resulting in rough handling, which causes loads to shift. For some time, we could not get a carload of print butter to destination without a considerable amount of butter being crushed from load shifting. This occurred no matter how we loaded it. We had no trouble of this nature before diesel power. We avoided this damage by not shipping print butter. We now ship only bulk butter and the receivers arrange their own printing."

● **A railroader's view.** "Rising loss and damage payouts, in my opinion, are caused equally by poor loading practices and rough handling and excessive impacts." That is the observation of a freight-claim-prevention officer of one of the nation's largest railroads. "In addition," he adds, "car condition is an important factor, and lack of adequate inspections by railroad personnel also follow in this category. Also pertinent is the ever-increasing cost of all commodities and the in-

creasing amount of highly expensive technical machinery and/or equipment. Corrective action is taken through a complete loss and damage prevention program, working with the shippers and receivers of freight and with carrier personnel. Complete educational programs are available for customers and employees alike. The net result of this was lower claim payouts in 1969.

"One of many joint efforts," he concludes, "is the corrective action taken by both customer and carrier in the handling of plasterboard between a town in Wyoming and the West Coast. A loading method was devised, improved mechanical condition of cars for this traffic was maintained, with the result being increased business, a substantial reduction on claims, and last—but not least—customer satisfaction."

Another example of fruitful shipper-railroad cooperation in attacking the loss and damage problem is described by R. H. Kapitan, manager freight damage prevention and safety, Soo Line.

"We have worked with many shippers in preparing a better loading method," he writes. "By utilizing the 'floating load' concept we have reduced damage by 85% to 100% with those shippers who previously experienced heavy damage with rigidly braced loads —including those in DF cars.

"Besides the reduction in freight claims on several thousand cars, this activity allowed our railroad to make more cars available for the shippers and, in many cases, actually reduced loading costs."

Reporting specific cases, Kapitan adds: "Consolidated Papers, Inc., was having repeater damage problems with its shipment of printing paper about three years ago. Like the majority of the shippers, Consolidated felt that the load must be anchored tightly with use of DF bars, or other methods. We were asked to come in and assist them with a new and possibly better loading plan. We introduced the free floating load to them and, with a few minor changes of their own, they have reduced transit damage by about 85% in the high loss areas.

"We have worked out similar projects with many other shippers during the past four years," Kapitan concludes. "We are now working on a joint project with the Rock Island in preparing a better loading method for the shipment of printing paper in rolls from Nekoosa Edwards Paper Co. to Moore Business Forms, Inc. The shipper previously braced his loads rigidly, allowing the full energy of coupling impacts to be transmitted directly into the lading, causing excessive damage."

● **More cooperation.** F. W. Whitaker, Jr., superintendent stations and freight claim prevention, Seaboard Coast Line, says that "a number of task forces operated by various carriers in connection with shippers and receivers, under the auspices of the AAR, are working toward better packaging and loading procedures. In this connection, it has been noted on SCL that reduction in claims has been obtained in handling canned goods, automobiles and other commodities.

"One major problem not referred to in your questionnaire," Whitaker adds, "is improper handling by other than carrier personnel. Much damage is being caused by improper use and/or faulty material-handling equipment in the warehousing process. In many instances, such damage is not noted at the time of loading, and, by virtue of such, falls into category No. 3 ('Improper handling—all damage not otherwise provided for') and is paid for by carriers. This type of damage is being actively investigated, and working with shippers and receivers generally results in better handling practices. . . It is felt that a substantial improvement can be made in reducing loss and damage through more active participation by shippers, carriers and receivers in joint industry-carrier efforts to recognize the basic causes of damage and work toward correction where it is needed." ■

Commission probes handling of concealed-damage claims

Concerned by shippers' complaints but uncertain of its powers in the area of concealed loss and damage, the ICC is taking a look at the way carriers handle the settlement of claims for hidden L&D.

The question is: Does the Commission have jurisdiction to consider the lawfulness of carrier-established rules for concealed damage claims?

Set and administered by individual modes, the rules are supposed to reflect carriers' liability, under the Interstate Commerce Act, for damage to property being transported.

However, the rules are not legally binding. They are intended as guides for carriers to provide a reasonably uniform treatment of claimants in cases where carriers have a clear record of the shipment in question. A clear record means no evidence of rough handling or negligence on the carriers' part, even though the carrier is being held responsible.

Therefore, although the Commission is sticking to its long-held disavowal of jurisdiction over the validity of claims themselves, it now is questioning its jurisdiction over the validity of carrier policy for handling those claims.

Specifically, ICC is looking at: (1) The nature of existing carrier rules governing the processing of claims; (2) the effect such rules have on the adequacy of transportation services; (3) Commission jurisdiction over these rules; (4) whether ICC should adopt rules of its own; (5) whether ICC should propose legislation in this area.

Two factors are involved in the processes that ICC is investigating: Limitations on the amount of compensation for concealed damage, and possible "deliberate and unreasonable" stalling in the handling of claims.

So far as rails are concerned, the limitation factor was brought into focus last fall, when AAR announced a claim-rule limiting railroad liability for concealed damage to 50% of the "proven net monetary loss." The rule was short-lived. AAR cancelled it in February, and left it up to individual railroads to apply the 50% limits. Truckers and freight forwarders announced similar rules last fall, and they have kept them in effect.

L&D STATISTICS AT A GLANCE

Net claim payout:
First 11 mos. 1969—$190,910,693*
12 mos. ended Nov. 30, 1969—$205,450,693*
Calendar year 1969 (estimated)—$205,000,000*
Calendar year 1968—$181,995,576*

Ratio of net claim payout to revenue:
First 9 mos. 1969—1.91†
First 9 mos. 1968—1.80†
Calendar year 1968—1.76†
Calendar year 1967—1.82†

*U.S., Canadian and Mexican carriers.
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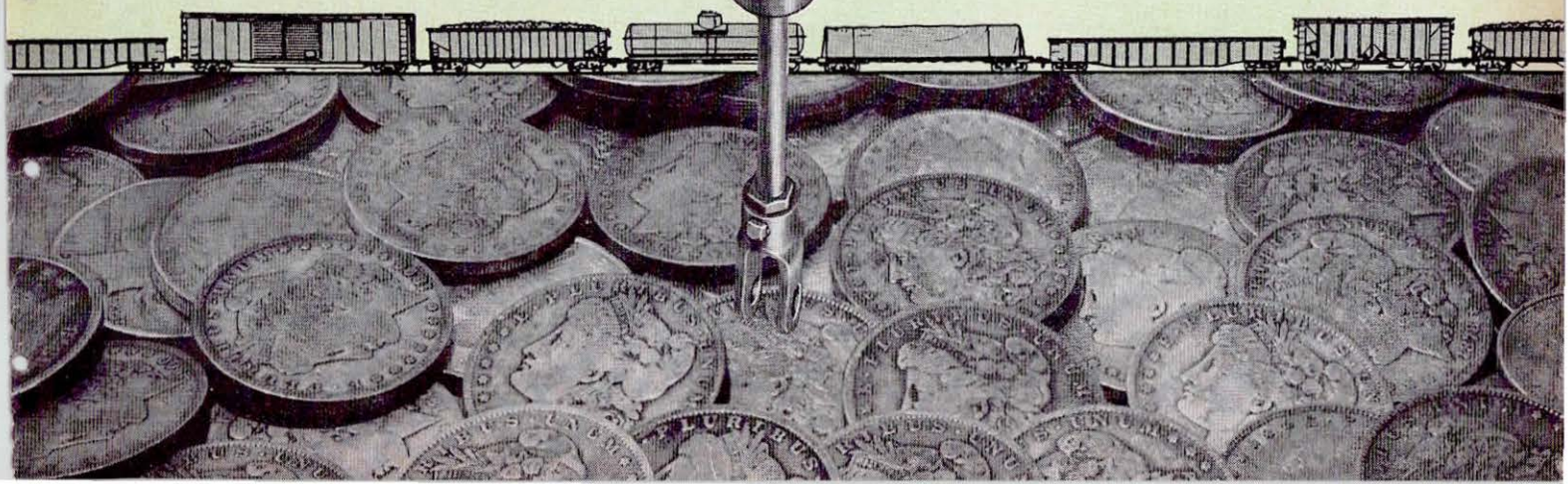
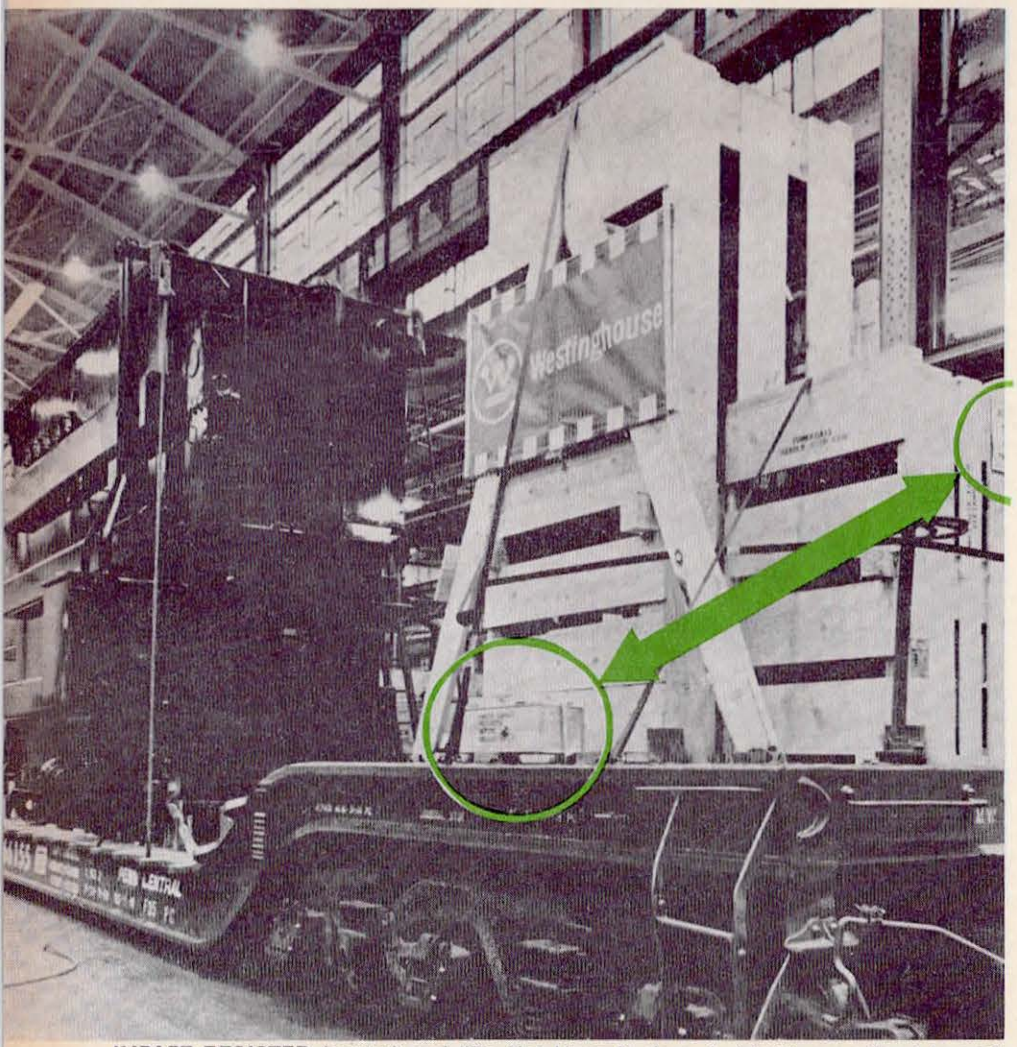
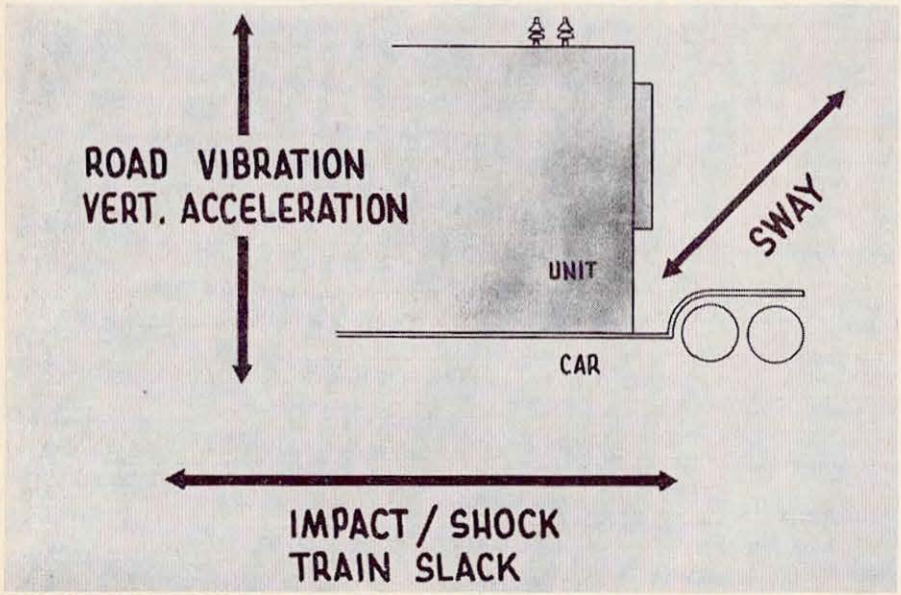


Constant monitoring shows special-



IMPACT REGISTER (center) and "Do Not Hump" placards (right) are affixed to each of the loaded transformer cars before it leaves a Westinghouse plant.



THREE BASIC STRESSES to which transformers are subjected must be countered by the securement and tie-down systems that are utilized in loading the cars.

While power transformers are not the most common rail shipments in the world, these expensive, bulky units can be as subject to longitudinal and vertical forces as other freight. Maybe more so. Vincent E. Gadrix, manager of transportation for Westinghouse Electric's Transformer Division, is responsible for movements of an appreciable share of the nation's output of power transformers and can report that handling of transformers by railroads has been improving for a half dozen years.

There has been a 67% improvement in the handling of loads on heavy-duty and depressed-center flat cars moving out of Westinghouse's Sharon, Pa., plant since 1963. Gadrix is confident of the validity of his appraisal because of the consistent monitoring of all such shipments. All cars are fitted with impact recorders after loading is completed. When it comes to the reasons for improvement, he credits the constant policing of all movements, the growing proportion of cushioned cars supplied for hauling transformers, and new loading methods developed in cooperation with originating railroads and the AAR Mechanical Division.

● **Constant monitoring.** Sharon Westinghouse currently operates 76 impact registers with either 16- or 30-day clocks, depending on destination. The impact ranges are 10G longitudinal and 4.2G vertical. Consignees and Westinghouse district offices are informed of the importance of checking the tapes before cars are unloaded. Then each register and its tape are flown back to Sharon for analysis. If there has been rough handling, each of the railroads participating in the movement is informed of the times of all such occurrences.

Results of register readings are used to establish specific railroads, routes, yards and interchanges where rough handling, based on longitudinal impacts, is most frequent. "Rough handling ratios, along with other factors," warns Gadrix, "have established the West Coast, the Southeast and Southwest as prime targets for immediate improvement." These destinations are the most remote from Sharon and obviously represent greater chance for exposure to impacts.

● **Vertical problem.** Because of the design of transformers, vertical impulses are important. Railroads, according to Gadrix, have been reluctant to accept claims for vertical shocks, except when they occur in conjunction with longitudinal impacts.

However, Westinghouse uses the ver-

car handling is improving

tical spectrum of its recorders to pinpoint rough roadbeds, defective cars and similar conditions. Impulses under 1.1G are considered insignificant. Higher vertical forces which occur simultaneously, or just after high longitudinal impacts are considered the result of switching or slack action. When a series of up to ten vertical impulses of at least 1.1G occur, they are usually rated as the result of a bad joint or localized rail defect. When there are over ten such impulses in a short interval, train speed, car suspension or roadbed condition becomes suspect.

If a particular route produces consistently high vertical impulses, Westinghouse asks the railroad to review its track condition. When an individual car produces abnormal vertical readings on several trips, an inspection of its trucks is requested.

● **A look ahead.** Back in 1966 Westinghouse detected some deterioration in rail handling of its transformers and found that switching speeds had been rising as a greater proportion of cushioned cars were in service. When the AAR and National Electrical Manufacturers Association got into the problem, apparently the cars were again carefully switched.

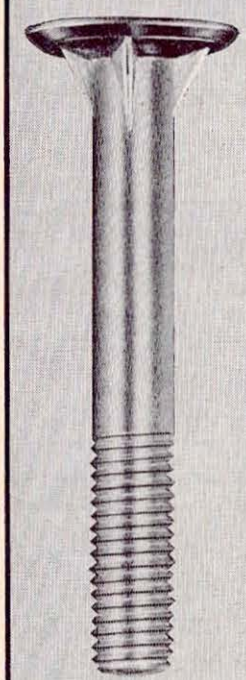
Right now Gadrix is concerned about automated yards where, he says, "classification speed without guaranteed quality is useless." Until such time as "skycrane helicopters become economically feasible or orbital flights somehow include power transformers," there will be rail shipment of these electrical monsters. And, continues Gadrix, "the safe handling of transformers in undelayed rail transportation must always supersede quantity and speed at any risk factor."

At Sharon, Erie Lackawanna and Penn Central work carefully with Westinghouse, even assigning special tracks for loaded transformer cars so they will not be held in regular yards while awaiting movement. Car handling is also regularly reviewed with local supervisors and switching crews.

● **Loading methods.** At the Westinghouse Muncie, Ind., plant which also produces the oversize power units, a typical loading test was conducted in 1968 in conjunction with PC to develop possible improved methods of securing transformers on cars. While AAR Loading Rules specifically prohibit the welding of a load to a car, this procedure was attempted experimentally. The distorted transformer shell which resulted during an overspeed impact quickly demonstrated the wisdom of AAR's requirement for some controlled movement in such a load.

Experience has indicated that units with present blocking and bracing may move about ½ inch when subjected to 6-mph impacts. Tiedowns to the top also aid in redistributing high forces.

In discussing his shipping problems, Gadrix told the Doble Engineering Conference that cushioning of freight cars "has virtually reestablished handling competition with motor carriers." Most depressed-center flat cars still have conventional draft gears and Gadrix finds that only 48% of the impacts to which they are subjected are in "the safe area," below 5G. On the other hand, the flat-deck, high-capacity cars which are now usually cushioned, keep impacts within the safe range 69% of the time. ■



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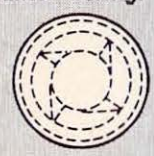

Cross section of head, from above, showing fins, bevel and shank.

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acf ACF INDUSTRIES

For another chapter, turn the page.

FRA ADMINISTRATOR WHITMAN:
"There's an intensifying public and political interest in railroads."

RPI sales seminar accents "Change"

UP CHAIRMAN BARNETT:
"Railroads can increase their share of an expanding market."

The main point: Change is the only thing that is constant in the railway industry today.

If the over-riding theme of the RPI's recent Sales Development Seminar could be summed up in one word, that word would be "Change."

One segment of change most in evidence during the Absecon, N.J., sessions was the trend toward youth in the railway supply industry. This observer—at his fourth such Railway Progress Institute program—noted that trend with real satisfaction.

So did Federal Railroad Administrator Reginald N. Whitman, who commented on the trend in his dinner talk the first night. So did Union Pacific Chairman Frank Barnett in his dinner speech the following day. (Barnett also mentioned the "eternal youth" of some old-timers in the supply industry.)

And so did Edward J. Green of Planning Dynamics, Inc.—former marketing manager of WABCO—in his all-morning session on "Selling in an Unpredictable Environment."

Change for the sake of change, said Green, isn't necessarily good. But "the influx of younger people in positions of importance in the railway industry is necessarily good, especially when they are the kind of persons willing and eager to spend two full days working pretty darned hard at the job of being better salesmen to and for the industry."

Green said the biggest thing in the railroad industry today is the rate, pace and magnitude of change. He noted that there were only three predictables in the industry's future: (1) that the future will not be like the past, (2) that it will not be like what one thinks it will be, and (3) that change will come at an accelerating rate.

Nothing anybody said in the next day and one half negated those observations. The presence of two top government people—Mr. Whitman of FRA, and Mac Rogers, director of the Department of Transportation's Bureau of Railroad Safety, further bore out the theme of change. Two years ago there wasn't any DOT. That Department is indicative of the government's increasing involvement in the industry.

Whitman said he sensed an "intensifying public and political interest in railroads" and a realization that "our railroads have been overlooked, in fact neglected, in our over-all transportation planning and in our programs of public support."

Whitman cited the proposed expenditure of $63 million for a comprehensive five-year rail safety research program, and research programs contemplated for grade crossing safety, passenger service, commuter transportation, freight service quality control, functional box-car development, intermodal systems and terminals.

There was broad agreement at Absecon that all this is certainly change for the good—that is is certainly more encouraging than government's past involvement, which was pretty much restricted to the duties of policeman.

UP's Barnett told the seminar railroads ought to be able to increase their share of an expanding national transportation requirement. That forecast, he said, is based on costs of furnishing transportation, which he cited as 1.1 cents per ton mile by rail, 3.5 cents by jumbo air freighter (lowest estimate), and 7 cents by truck (before current Teamster demands are satisfied).

However, Barnett was less sanguine about the Administration's plans for spending $1 billion for a grand tour to Mars, while offering meager help for the railroads' passenger problem. The latter he characterized as "applying a band-aid to a slit throat."

—R. G. Lewis

RPI PANELISTS included (l to r) J. J. Butler, chief mechanical officer, Reading; William J. Eck, vice president-purchases & materials, C&O/B&O; G. M. Leilich, vice president-operations, Western Maryland; F. G. Fisher, vice president, operations & maintenance, Reading; Frank D. Vandever, general purchasing agent, Trailer Train; A. W. Tompkins, director, purchases & stores, Western Maryland; E. H. Follweiler, purchasing agent, Reading; K. W. Phillips, manager purchases & stores, Maine Central; M. P. Richards, vice president, purchases & materials, Penn Central; J. J. Foster, chief signal officer, Reading.

LETTERS

New format

Washington, D.C.

To the Editor:

I like very much the new format of your fine publication and was proud indeed that Southern was selected for the first of your new series of management closeups. All of us here were highly pleased with the results.

Congratulations on what I'm sure will be a highly successful new formula for the future.

W. Graham Claytor, Jr., President
Southern Railway System

Rochester, N.Y.

To the Editor:

I have come to look at Railway Age as the "bible" for the railroad industry, and I am sure that the increase in the news section, along with your recognized ability to interpret the news, will keep Railway Age in the forefront of publications for our industry.

G. E. Collins, President
General Railway Signal Co.

New game needs new rules

Louisville, Ky.

To the Editor:

The "Viewpoint" in the February 2/9, 1970 issue of Railway Age contains very interesting material.

Here's part of a letter which I wrote directly to Mr. DeLaney [Thomas M. DeLaney, director of research in the Bank of America's investment research department, whose comments on the role of lawyers in transport regulation were the subject of the Feb. 2/9 Viewpoint]:

"No doubt your ideas (as briefly revealed in an editorial in Railway Age) will draw some criticism, especially from those lawyers engaged exclusively in commerce law. You have said very succinctly what many have been thinking for some time. Many of the members of the Industrial Traffic Council (a group of professional traffic men representing shippers and receivers here at the Chamber) agree with you.

"The changes in corporate structure, methods of doing business, and consumer demand (to say nothing of many other factors like new product development) have made the transportation of property a whole new ball game. Because of this, I think we have to write a whole new set of rules for it."

Carter M. Harrison
Manager—Transportation Dept.
Louisville Chamber of Commerce

The iron "cow"

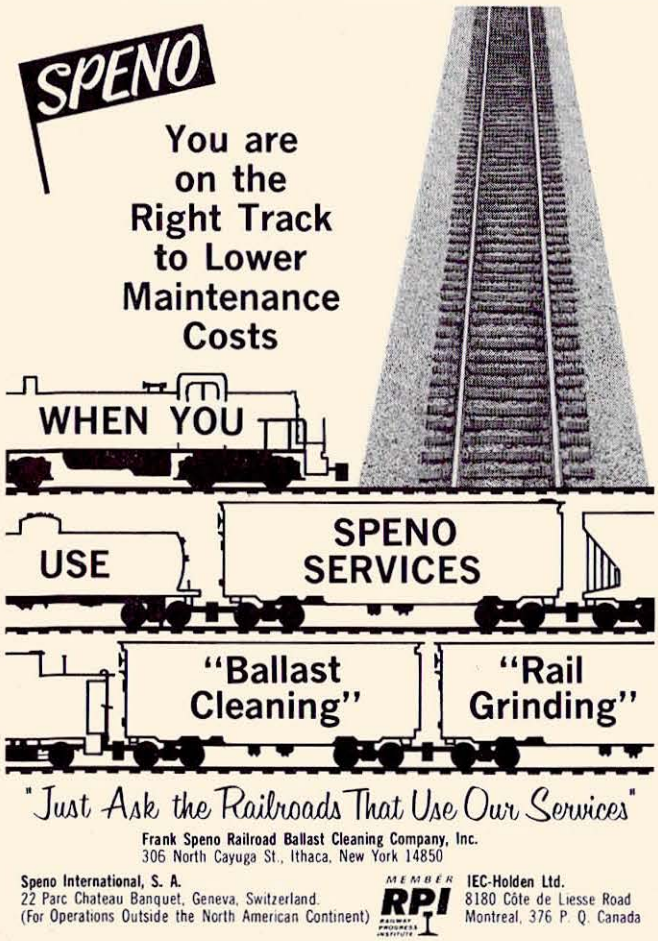
Oak Park, Ill.

To the Editor:

Issues of RA like the Outlook-Review one of January 19 are the reason 81% of your readers renew—I hope the remaining 19% read it carefully and then got back on board.

In reading the feature on pending legislation, especially the part on inequities in taxation, I am more convinced than ever that if the milking of the rails doesn't stop, we will have to call it the iron "cow" instead of horse.

V. Allan Vaughn
Vice President—Public Relations
National Railway Historical Society



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COOKS CONTINENTAL TIMETABLE can help you plan a rail journey from Londonderry to Baghdad, or from Lisbon to Vladivostok. Or it can help you travel vicariously from Narvik at the Arctic Circle to Khartoum in the Sudan. The Timetable includes details of train consists, gives average temperatures and annual rainfall (for Khartoum it's 89 to 104 in October with only 6.2 inches of rain per year), visa requirements, foreign currency values, and lots more. And it is all current, for Cooks Continental Timetable is published monthly. It was first published in 1873, making it only five years junior to our own Official Guide which celebrated its Golden anniversary in 1968.

Schedules are arranged by countries, with maps for most. France, for example, rates a two-page map and 45 pages of schedules of principal services; Sweden, 6 pages, sharing a map with Norway. All the Iron Curtain Countries are included, even Red China (sans details) and little Albania. At the opening are 10 pages, including a map, of car-sleeper services in Great Britain and the Continent. Next are 42 pages of TEE schedules and international services.

A new, and an important feature for American travelers, has been added to this famous Timetable beginning with the January 1970 issue—64 pages of principal rail services in the British Isles, including Ireland. Thus, a single volume arms the traveler with all the up-to-date information he needs for rail travel almost anywhere on the other side of the Atlantic.

Cooks Continental Timetable is ideal for planning travel abroad; it is almost an essential adjunct to a Eurail pass. It is also delightful for armchair travel, right in one's own living room. Rate this one "G!" *472 pages (January 1970 issue); $2.20 per copy ($4.90 by airmail); annual subscription $26; Thos. Cook & Son, Ltd., 45, Berkeley Street, Picadilly, London W1A 1EB, England.*

—Robert G. Lewis

THE BESSEMER & LAKE ERIE RAILROAD 1869-1969, by Roy C. Beaver. This centennial volume by a retired vice president and general manager describes the growth of a western Pennsylvania short line into a superbly engineered and maintained common-carrier railroad which is also a vital component of the world's largest steel producer. While the pioneer, coal-hauling Shenango & Allegheny began operation the same year that saw the driving of the Golden Spike at Promontory, Utah, it would be almost 30 years before the Bessemer would be completed from the

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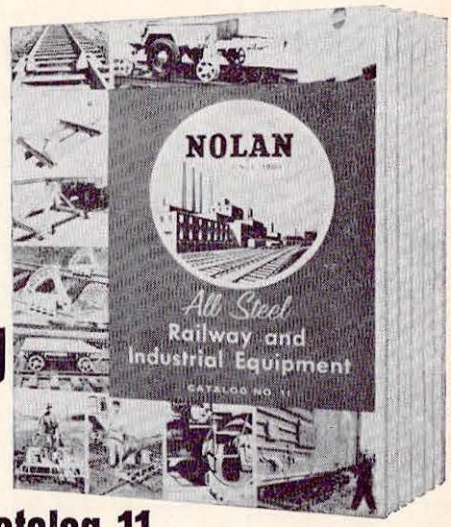

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Circle 26 on coupon page 81

Lake Erie port of Conneaut, Ohio, to the Pittsburgh district steel mills. Although a predecessor company of limited resources envisioned the extension to Pittsburgh, the actual construction came only after Andrew Carnegie acquired full control, pushing the Bessemer's final 40 miles through rugged territory in only 18 months.

As the author observes, "had it not been for Carnegie, the railroad would probably have been absorbed by one of the larger roads or abandoned when the coal along its route was removed." Instead, its traffic of iron ore, coal, coke, limestone and general commodities grew to an all-time high of over 30 million tons annually in the late 1960s.

B&LE history divides naturally into two periods—that preceding steel company ownership and that following its absorption into the U.S. Steel Corp. While the early triumphs were mainly financial—funding line extensions and even meeting the payroll—the subsequent ones were essentially those of physical development. Among these milestones were the numerous major line changes to produce better grades, the terminal improvements, acquisition of the world's first steel freight cars and, at the turn of the century, the buying of the heaviest locomotives built up until that time. Subsequently there were developments such as the steel tie, the industry's first fleet of 100-ton freight cars (which are coming up for replacement after nearly 40 years of service), early work with welded rail (with which the B&LE main line will be completely equipped in 1972), and the end-to-end CTC which went into service in 1956. A major triumph of the 1960s was the balancing of northbound and southbound traffic, at an unprecedented high level. The volume is comprehensive and well illustrated. *184 pages, illustrations, maps, diagrams. Price: $10.00. Golden West Books, P. O. Box 8163, San Marino, Cal. 91108.*

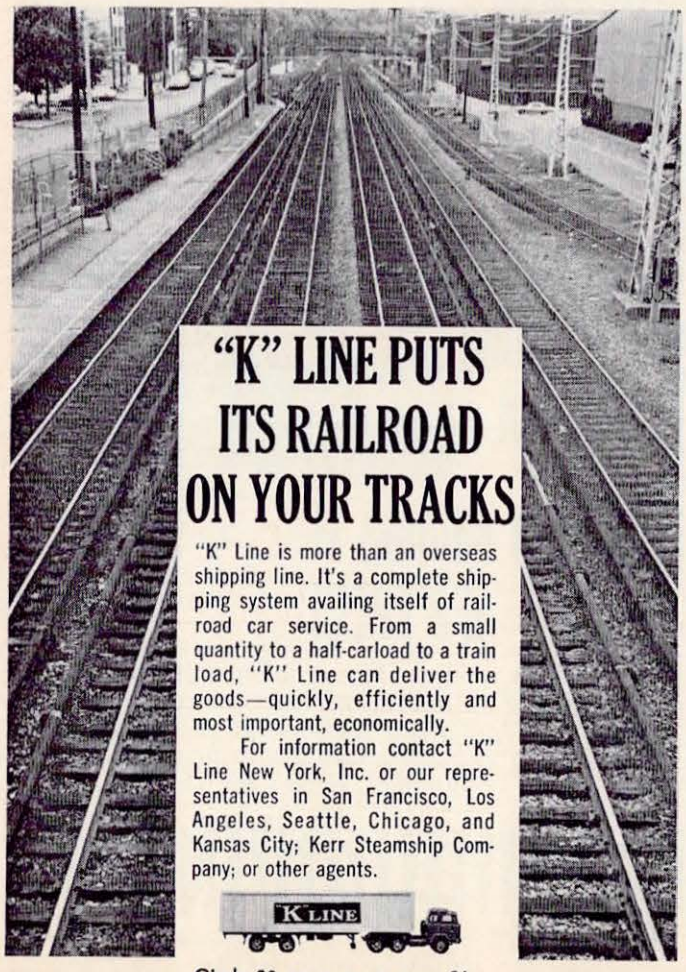
—Fred N. Houser

THE LURE OF JAPAN'S RAILWAYS, by Naotaka Hirota, is a collection of superb photographs, mostly black and white. People, and natural beauty, are as dominant as the locomotives and cars. In some of the dramatic spreads of fields of golden flowers, or snow covered mountains, or sparkling seas, the train is only a catalyst.

The author credits his successful career as a professional cameraman to his love of railways. As he explains in his preface, he was enchanted by "those living machines" at a railroad yard near his home in pre-school days. He started taking railway pictures as soon as he was old enough to handle a camera.

If you admire great photographs, and if railroads appeal to you, don't fail to add Hirota's new book to your library. Text and captions are all in English. *72 pages. Price: $12 (seamail postage included). Japan Times, Ltd., 5-4, Shiboura 4-chome, Minato-ku, Tokyo, Japan.*

—R.G.L.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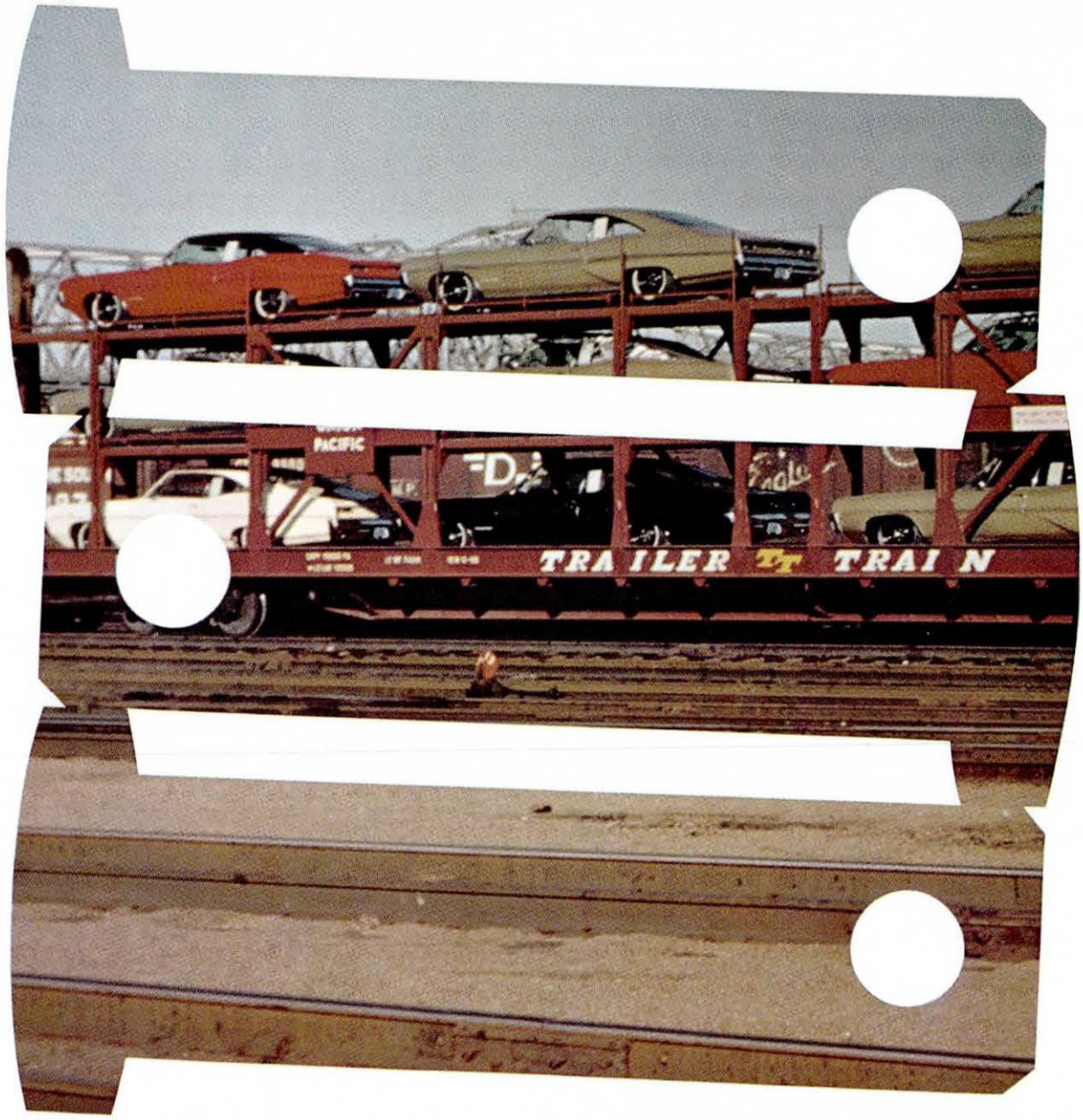

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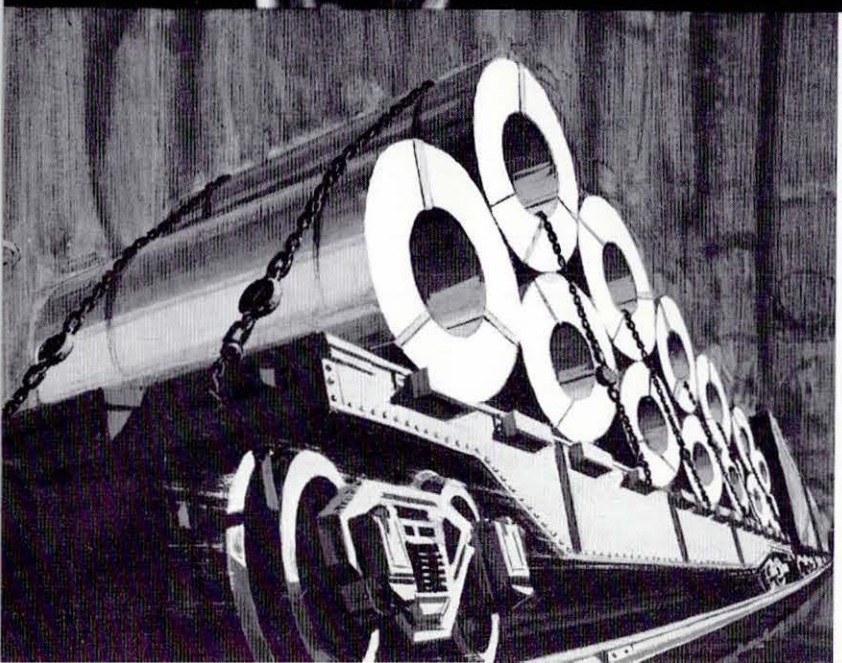

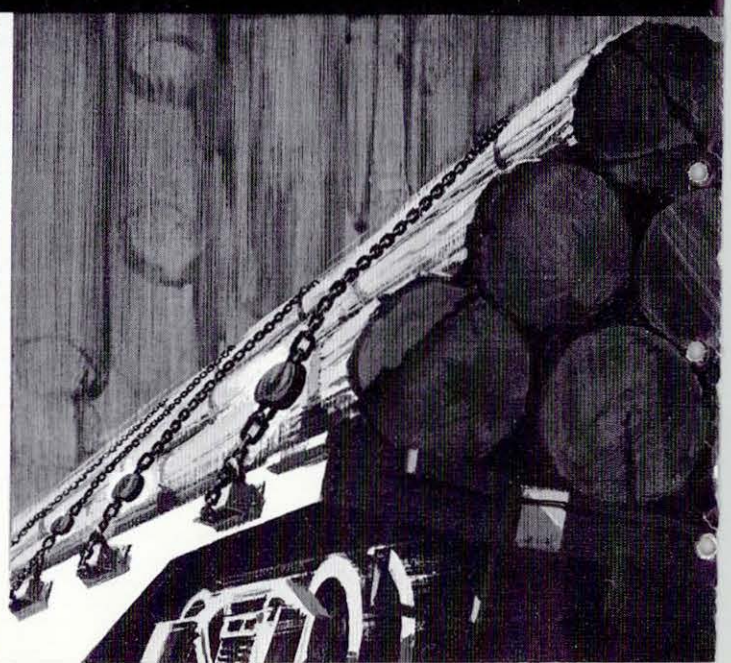

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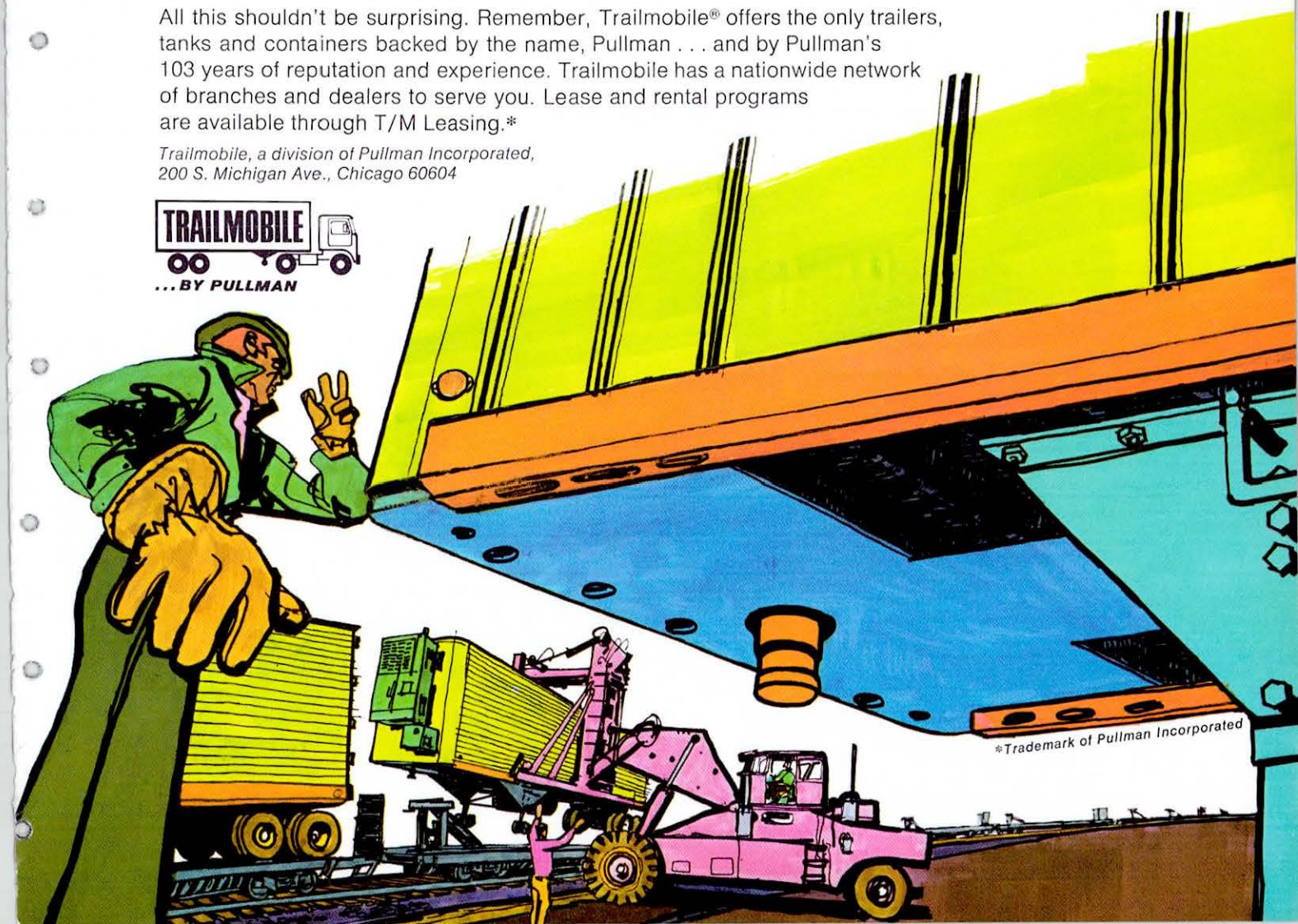

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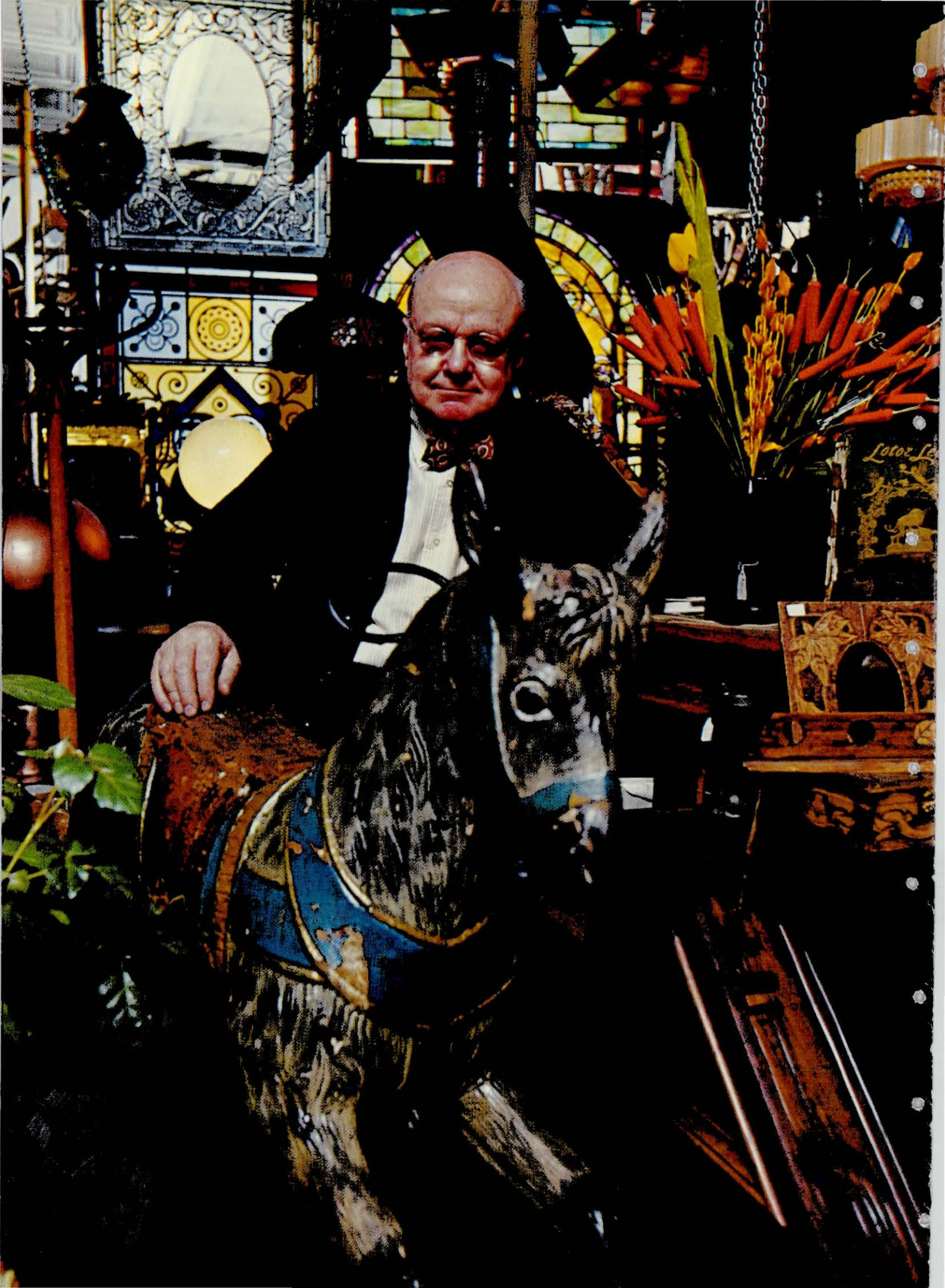

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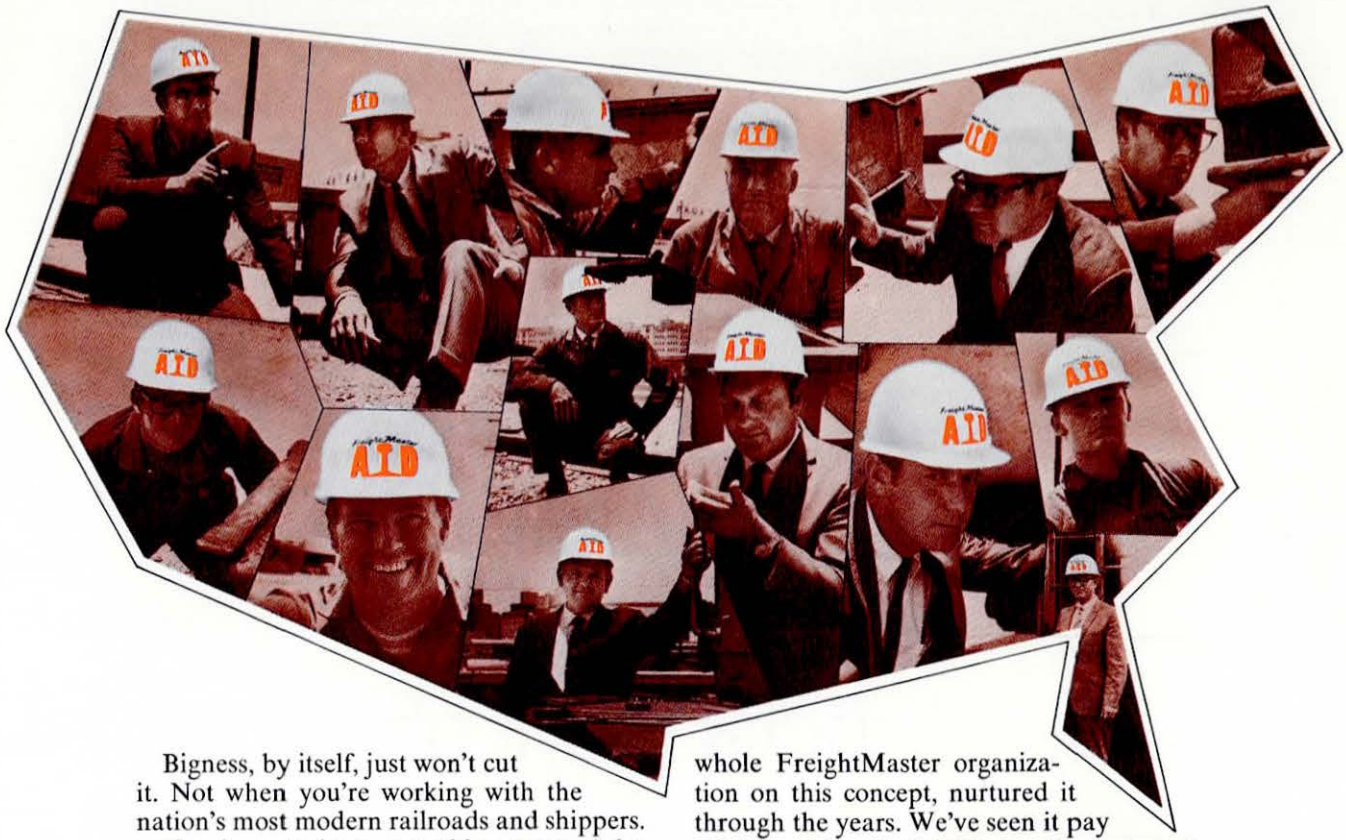

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Fourth Quarter and Twelve Months' Figures of Calendar Year 1969

(Dollar figures are stated in thousands: i.e., with last three digits omitted)

Name of Road		Average mileage operated during period	Operating Revenues: Freight	Operating Revenues: Pass.	Total (inc. misc.) 1969	Total (inc. misc.) 1968	Operating Expenses: Maint. Way and Structures: Total 1969	Maint. Way and Structures: Total 1968	Maint. Way and Structures: Deprec. and Retirements	Maint. Equipment: Total 1969	Maint. Equipment: Total 1968	Maint. Equipment: Deprec. and Retirements	Traffic	Transportation	Total 1969	Total 1968	Operating ratio 1969	Operating ratio 1968	Net from railway operation	Railways tax accruals	Net Railway operating income 1969	Net Railway operating income 1968
Akron, Canton & Youngstown	3 mos.	171	1,759	—	1,807	1,889	479	242	24	344	330	127	115	698	1,746	1,472	96.6	77.9	62	154	—140	269
	12 mos.	171	7,570	—	7,831	7,918	1,404	1,060	86	1,382	1,485	512	468	2,907	6,601	6,175	84.3	78.0	1,229	737	612	1,173
Ann Arbor	3 mos.	299	2,225	—	2,268	2,491	344	293	22	451	436	130	67	1,278	2,219	2,054	97.8	82.5	49	195	—352	13
	12 mos.	299	9,141	—	9,459	9,457	1,436	1,165	91	1,791	1,777	535	275	4,958	8,766	8,082	92.7	85.5	693	773	—846	—173
Atchison, Topeka & Santa Fe	3 mos.	12,907	169,729	5,197	188,373	176,264	29,897	25,349	3,156	33,968	33,804	11,374	5,284	70,591	151,439	139,217	80.4	79.0	36,934	16,271	13,985	17,596
	12 mos.	12,895	648,309	22,808	719,216	673,375	108,211	107,312	10,674	136,566	138,474	43,607	19,440	273,529	576,313	556,194	80.1	82.6	142,904	65,793	59,166	48,097
Baltimore & Ohio	3 mos.	5,549	111,684	653	118,642	108,550	14,088	14,507	2,488	15,150	17,183	2,597	3,070	44,859	84,970	85,204	71.5	78.5	33,735	8,014	11,586	1,572
	12 mos.	5,596	434,175	3,490	461,128	441,022	57,788	55,906	7,579	68,960	67,616	10,341	11,745	176,586	343,528	333,145	74.5	75.5	117,600	31,819	31,940	18,510
Bangor & Aroostook	3 mos.	543	3,172	65	3,287	3,247	806	773	67	1,301	1,204	425	87	1,107	3,538	3,384	107.7	104.2	—252	315	149	12
	12 mos.	543	12,894	267	13,424	13,578	3,235	3,078	275	4,528	4,428	1,656	338	4,410	13,469	13,178	100.3	97.1	—45	1,211	1,563	1,547
Bessemer & Lake Erie	3 mos.	221	9,996	—	10,625	9,194	996	977	186	1,625	2,086	402	185	2,639	6,164	6,213	58.0	67.6	4,461	3,151	1,637	2,199
	12 mos.	221	35,812	—	38,075	38,402	4,636	4,214	591	6,147	5,260	1,644	648	9,409	23,614	21,806	62.0	56.8	14,461	9,092	7,276	8,252
Boston & Maine	3 mos.	1,531	14,744	1,330	17,871	17,043	2,396	2,235	286	2,913	3,067	635	384	8,119	14,790	14,623	82.8	85.8	3,081	1,485	—379	—668
	12 mos.	1,531	58,219	4,959	69,454	67,034	9,794	8,776	1,535	11,341	10,927	2,561	1,499	31,846	58,307	55,858	84.0	83.3	11,147	5,372	—2,230	—1,224
CPR Lines in Maine	3 mos.	234	1,209	37	1,289	1,415	360	296	63	262	233	47	64	589	1,410	1,160	109.4	82.0	—121	84	—435	—81
	12 mos.	234	7,119	207	7,515	6,365	1,490	1,212	247	1,341	943	186	241	2,528	6,138	4,759	81.7	74.8	1,378	327	—179	220
Central of Georgia	3 mos.	1,729	13,946	141	14,518	12,891	2,513	2,277	253	2,771	2,069	741	358	4,850	11,693	10,128	80.5	78.6	2,825	132	1,799	1,768
	12 mos.	1,729	52,602	758	54,883	51,109	11,062	9,989	852	10,076	9,735	2,992	1,269	19,087	46,448	42,926	84.6	84.0	8,434	2,811	2,127	3,346
Central RR of New Jersey	3 mos.	594	10,102	1,063	12,843	12,581	2,031	1,831	280	2,235	2,114	350	288	6,373	11,736	11,943	91.4	94.9	1,107	1,122	—1,984	—2,379
	12 mos.	594	41,171	4,023	52,288	50,878	6,611	6,446	1,073	8,564	8,302	1,454	1,180	25,869	45,685	45,422	87.4	89.3	6,603	4,559	—5,631	—6,189
Central Vermont	3 mos.	382	2,013	—	2,099	1,982	487	459	56	199	257	13	33	857	1,760	2,051	83.8	103.5	339	155	—108	—426
	12 mos.	382	8,508	4	8,809	8,101	1,804	1,801	227	842	1,030	50	123	3,479	6,975	7,390	79.2	91.2	1,834	640	—88	—989
Chesapeake & Ohio	3 mos.	5,076	104,073	495	109,425	101,802	16,749	10,856	6,114	21,527	19,756	6,120	3,046	43,541	91,591	81,153	83.7	79.7	17,834	2,023	13,981	13,153
	12 mos.	5,095	391,453	2,252	413,186	400,508	53,449	44,256	10,751	80,014	77,755	24,672	11,358	164,828	334,245	317,881	80.9	79.4	78,941	30,299	40,222	46,053
Chicago & Eastern Illinois	3 mos.	643	6,606	—	6,788	12,782	1,618	2,119	— 37	1,510	2,224	338	349	2,763	6,659	9,906	98.0	77.5	130	-274	—1,089	396
	12 mos.	716	35,887	39	37,552	47,433	7,876	8,097	520	7,013	8,720	1,721	1,470	13,361	31,683	38,646	84.4	73.2	5,869	1,600	—1,121	—1 111
Chicago & Illinois Midland	3 mos.	121	1,032	—	1,076	1,097	126	94	21	268	244	36	7	332	822	736	76.3	67.1	255	105	160	192
	12 mos.	121	3,870	—	4,039	4,585	483	416	84	930	863	142	27	1,296	3,157	3,105	78.2	67.7	882	654	234	528
Chicago & North Western	3 mos.	11,436	67,085	5,487	75,271	71,496	12,970	10,620	3,234	12,477	12,038	4,224	2,173	34,321	66,909	61,269	88.9	85.7	8,362	5,532	—5,372	—918
	12 mos.	11,512	253,027	21,627	285,982	275,771	44,948	41,263	7,600	50,193	46,836	16,915	8,837	127,987	251,587	235,597	88.0	85.4	34,394	23,049	—18,373	—2,313
Chicago, Burlington & Quincy	3 mos.	8,430	71,285	3,596	80,346	78,597	9,682	9,588	2,543	12,767	12,340	4,080	2,521	32,015	61.107	58,349	76.1	74.2	19,239	8,154	6,662	8 628
	12 mos.	8,451	262,099	15,722	299.244	284,752	40,246	37,593	6,475	52,516	49,483	16,847	9,148	123,546	242.161	227,962	80.9	80.1	57,083	25,824	15,967	21,668
Chic., Milw., St. Paul & Pacific	3 mos.	10,479	60.021	2,540	67,449	69,698	10,066	10,504	13.73	10.883	10,932	3,178	1,839	29,650	56 557	56,284	83.9	80.8	10,891	6,039	—2,247	2,370
	12 mos.	10,488	239.234	10,415	269,108	268.675	44,773	39,469	5,294	44,846	42,784	12,947	7,559	116,302	230 631	219,545	85.7	81.7	38,477	23,311	—10,182	7,247
Chicago, Rock Island & Pacific	3 mos.	7,264	63.256	1,316	67,220	62,423	4,959	8,770	1.111	10.794	9,607	1,791	1,859	30,199	51.044	49,848	75.9	79.9	16,176	4,288	1.795	1 130
	12 mos.	7,266	243,195	5,623	259,584	239,346	35,444	34,766	3,270	41,927	39,689	7,219	7,290	113,579	211,222	196,613	81.4	82.1	48,362	18.652	—7,877	—6,518
Clinchfield	3 mos.	306	8.802	20	8,878	7,825	661	813	81	1,219	1,334	609	266	2,249	4,690	4.783	52.8	61.1	4,188	1,066	3,421	2,353
	12 mos.	306	33,198	65	33.502	30.328	3,071	3,251	299	4,827	4,930	2,432	1,013	8,797	18.826	18 593	56.2	61.3	14,676	3,299	12,046	9 431
Colorado & Southern	3 mos.	692	4,705	—	4.784	4,094	558	397	72	724	842	303	79	1,440	3.111	2.991	65.0	73.1	1,674	603	759	547
	12 mos.	696	17,568	—	17.951	16,175	1,998	1,733	226	2,719	2,874	1,217	292	5,914	12 122	11,209	67.5	69.3	5,829	2,010	2.929	2,874
Ft. Worth & Denver	3 mos.	1,280	4.585	—	4,763	4,085	767	627	88	561	528	115	203	2,302	4,195	3,693	87.9	90.4	567	239	—72	—362
	12 mos.	1,280	17,098	—	17.833	18,285	2,704	2,526	397	2,145	2,400	458	766	8,124	15,167	14,904	85.1	81.5	2,666	800	199	—138
Delaware & Hudson	3 mos.	751	10.581	147	10.967	10.394	1.333	1.196	130	1.923	1,553	386	362	4,242	8.695	7,694	79.3	74.0	2,273	1.353	876	1,602
	12 mos.	743	43.192	698	45.026	41,454	5,572	5,919	466	7,685	7,940	1.550	1,417	16 620	34,416	33,862	76.4	81.7	10,610	5,278	4,916	2,969
Denver & Rio Grande Western	3 mos.	2,120	24,860	312	25,786	24,341	2,457	2,276	682	3,804	4,101	1,260	883	8,141	16.737	16.168	64.9	66.4	9,049	4,785	3,906	3,659
	12 mos.	2,133	94,508	1,897	98,579	92,662	10,086	9,875	2,036	14.942	15,025	5,309	3,539	32,407	66,766	63,803	67.7	68.9	31,812	16,703	14,355	13,930
Detroit & Toledo Shore Line	3 mos.	50	1,669	—	1,804	1 829	171	195	38	297	278	113	71	573	1,275	1,257	70.1	68.7	529	212	195	292
	12 mos.	50	6,423	—	6.934	6,801	774	605	145	1,117	1,067	949	272	2,430	5.080	4,791	73.3	70.5	1,854	720	732	653
Detroit, Toledo & Ironton	3 mos.	467	7.840	—	8 191	7.540	692	677	104	1,730	1,319	607	236	3,145	6,291	5 306	76.8	70.4	1,901	689	888	1,062
	12 mos.	467	29,881	—	31.209	28,527	2,652	2,489	365	6,035	5,336	2,506	927	11.355	22,812	20.452	73.1	71.7	8,397	2,516	3,281	3.414
Duluth, Missabe & Iron Range	3 mos.	508	7.577	—	8 191	6 390	1,483	1,585	370	1,522	1,479	375	55	2.584	6,626	6.112	80.9	95.7	1.565	1,170	619	147
	12 mos.	510	38,336	—	41,783	35,298	5,832	6,328	1,516	5,990	5,435	2,016	210	10,688	26.323	25,033	63.0	70.9	15,460	10,604	5,682	4,299

(Continued on page 78)

Robert D. Allen
SP

N. J. Meis
UP

terstate Commerce Commissioner, has been appointed vice president and general counsel for TAA.

UNION PACIFIC.—N. J. Meis, general freight and passenger agent, Denver, named to the newly created position of assistant traffic manager there. **J. A. Vendegnia,** freight traffic agent, appointed general traffic agent, Denver, to succeed **E. R. A. Siemers,** retired.

The UP has moved its executive offices to 345 Park Avenue, New York, N.Y. 10022, from 120 Broadway.

SUPPLY TRADE

Robert A. K. Smith has been appointed vice president—railway sales, Castings Division, **General Steel Industries, Inc.,** Granite City, Ill. **Arthur I. Wissman,** district manager—sales, has been appointed general manager—railway sales, Castings Division, reporting to Mr. Smith. **Thomas C. Barton,** vice president—administration, has been named vice president—industrial sales, Castings Division.

Patrick A. Templeton has been appointed manager—transportation systems government relations, Transportation Systems Division, **General Electric Co.,** Washington, D.C., succeeding **Robert M. Coultas,** who became executive vice president, **Institute of Rapid Transit,** Washington, last October. Mr. Templeton was formerly metropolitan transportation representative, responsible for market development, Transit Systems Department, Transportation Systems Division, Erie, Pa.

Robert A. K. Smith
GSI

Arthur I. Wissman
GSI

Guy Jacobs has been appointed manager—industrial locomotive sales, Overseas and Industrial Business Operation, GE's Locomotive Department.

Mark H. Sluis, manager of product engineering, **General Railway Signal Co.,** Rochester, N.Y., has been promoted to vice president—engineering.

White Motor Corp., Cleveland, Ohio, has announced its intention to purchase the assets of **Alco Engine** and **Alco Products Service,** including the Alco diesel engine design rights and the Auburn, N.Y., manufacturing facility and engine services business from **Studebaker-Worthington Corp. R. B. Fairman,** president of Alco Engine, will be president of Alco Engine Division, **White Industrial Power, Inc.,** a new White subsidiary which will include White's Superior Engine Division, Springfield, Ohio. White Motor will assume responsibility for the continuing supply of repair and replacement parts to owners of Alco diesel engines and locomotives, worldwide. **John V. Sylvester,** president of Products Service, will be president, Alco Products Service Division, White Industrial Power.

National Castings Division, Midland-Ross Corp. has assumed sales responsibility for all **Wine Railway Appliances.** Wine products are produced by the corporation's Unitcast Division, Toledo, Ohio. All sales personnel, agents and product managers will report to **Robert D. McIntire,** general manager—sales, National Castings Division, Sharon, Pa. **Joseph M. Gentry** has been named product manager,

Patrick A. Templeton
GE

Mark H. Sluis
GRS

Wine Railway Appliance, National Castings Sales Group, Toledo. **Robert E. Vey,** eastern regional sales manager for Wine, Philadelphia, named sales representative, Chicago district office, National Castings, **James L. McColough** continues to supervise pricing, quoting and scheduling of Wine Appliances at the Toledo facility, Unitcast Division, but will report to Mr. McIntire. **James D. Hipp,** engineer, promoted to chief engineer, Wine products, reporting to **Russell J. Smith,** general superintendent, Unitcast Division.

OBITUARY

Franklin D. Barber, Jr., 41, president and chief executive officer, **Standard Car Truck Co.,** Chicago, died March 1 in Sherman Hospital, Elgin, Ill.

Ferris P. Beardsley, 52, vice president-sales, **St. Louis Car Division, General Steel Industries,** St. Louis, Mo., died of cancer March 2.

Dr. Charles L. Bidwell, 73, assistant chief medical officer, **Illinois Central,** died March 2 in IC Hospital, Chicago.

Lorne J. Hughes, 85, retired chief engineer, **Rock Island,** died March 6 in Grant Hospital, Chicago.

Charles Layng, 75, contributing editor and former western editor, **Railway Age,** died March 19, at his home in Orlando, Fla.

Milton W. Sibley, 62, chemical engineer, Test and Research Department, **Rock Island,** died March 8 in Michigan City, Ind.

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Fourth Quarter and Twelve Months' Figures of Calendar Year 1969

(Dollar figures are stated in thousands: i.e., with last three digits omitted)

Name of Road		Average mileage operated during period	Operating Revenues: Freight	Operating Revenues: Pass.	Revenues Total (inc. misc.) 1969	Revenues Total (inc. misc.) 1968	Operating Expenses: Maint. Way and Structures: Total 1969	Maint. Way and Structures: Total 1968	Maint. Way and Structures: Deprec. and Retirements	Maint. Equipment: Total 1969	Maint. Equipment: Total 1968	Maint. Equipment: Deprec. and Retirements	Traffic	Transportation	Total 1969	Total 1968	Operating ratio 1969	Operating ratio 1968	Net from railway operation	Railways tax accruals	Net Railway operating income 1969	Net Railway operating income 1968
Akron, Canton & Youngstown	3 mos.	171	1,759	—	1,807	1,889	479	242	24	344	330	127	115	698	1,746	1,472	96.6	77.9	62	154	—140	269
	12 mos.	171	7,570	—	7,831	7,918	1,404	1,060	86	1,382	1,485	512	468	2,907	6,601	6,175	84.3	78.0	1,229	737	612	1,173
Ann Arbor	3 mos.	299	2,225	—	2,268	2,491	344	293	22	451	436	130	67	1,278	2,219	2,054	97.8	82.5	49	195	—352	13
	12 mos.	299	9,141	—	9,459	9,457	1,436	1,165	91	1,791	1,777	535	275	4,958	8,766	8,082	92.7	85.5	693	773	—846	—173
Atchison, Topeka & Santa Fe	3 mos.	12,907	169,729	5,197	188,373	176,264	29,897	25,349	3,156	33,968	33,804	11,374	5,284	70,591	151,439	139,217	80.4	79.0	36,934	16,271	13,985	17,596
	12 mos.	12,895	648,309	22,808	719,216	673,375	108,211	107,312	10,674	136,566	138,474	43,607	19,440	273,529	576,313	556,194	80.1	82.6	142,904	65,793	59,166	48,097
Baltimore & Ohio	3 mos.	5,549	111,684	653	118,642	108,550	14,088	14,507	2,488	15,150	17,183	2,597	3,070	44,859	84,970	85,204	71.5	78.5	33,735	8,014	11,586	1,572
	12 mos.	5,596	434,175	3,490	461,128	441,022	57,788	55,906	7,579	68,960	67,616	10,341	11,745	176,586	343,528	333,145	74.5	75.5	117,600	31,819	31,940	18,510
Bangor & Aroostook	3 mos.	543	3,172	65	3,287	3,247	806	773	67	1,301	1,204	425	87	1,107	3,538	3,384	107.7	104.2	—252	315	149	12
	12 mos.	543	12,894	267	13,424	13,578	3,235	3,078	275	4,528	4,428	1,656	338	4,410	13,469	13,178	100.3	97.1	—45	1,211	1,563	1,547
Bessemer & Lake Erie	3 mos.	221	9,996	—	10,625	9,194	996	977	186	1,625	2,086	402	185	2,639	6,164	6,213	58.0	67.6	4,461	3,151	1,637	2,199
	12 mos.	221	35,812	—	38,075	38,402	4,636	4,214	591	6,147	5,260	1,644	648	9,409	23,614	21,806	62.0	56.8	14,461	9,092	7,276	8,252
Boston & Maine	3 mos.	1,531	14,744	1,330	17,871	17,043	2,396	2,285	286	2,913	3,067	635	384	8,119	14,790	14,623	82.8	85.8	3,081	1,485	—379	—668
	12 mos.	1,531	58,219	4,959	69,454	67,034	9,794	8,776	1,535	11,341	10,927	2,561	1,499	31,846	58,307	55,858	84.0	83.3	11,147	5,372	—2,230	—1,224
CPR Lines in Maine	3 mos.	234	1,209	37	1,289	1,415	360	296	63	262	233	47	64	589	1,410	1,160	109.4	82.0	—121	84	—435	—81
	12 mos.	234	7,119	207	7,515	6,365	1,490	1,212	247	1,341	943	186	241	2,528	6,138	4,759	81.7	74.8	1,378	327	—179	220
Central of Georgia	3 mos.	1,729	13,946	141	14,518	12,891	2,513	2,277	253	2,771	2,069	741	358	4,850	11,693	10,128	80.5	78.6	2,825	132	1,799	1,768
	12 mos.	1,729	52,602	758	54,883	51,109	11,062	9,989	852	10,076	9,735	2,992	1,269	19,087	46,448	42,926	84.6	84.0	8,434	2,811	2,127	3,346
Central RR of New Jersey	3 mos.	594	10,102	1,063	12,843	12,581	2,031	1,831	280	2,235	2,114	350	288	6,373	11,736	11,943	91.4	94.9	1,107	1,122	—1,984	—2,379
	12 mos.	594	41,171	4,023	52,288	50,878	6,611	6,446	1,073	8,564	8,302	1,454	1,180	25,869	45,685	45,422	87.4	89.3	6,603	4,559	—5,631	—6,189
Central Vermont	3 mos.	382	2,013	—	2,099	1,982	487	459	56	199	257	13	33	857	1,760	2,051	83.8	103.5	339	155	—108	—426
	12 mos.	382	8,508	4	8,809	8,101	1,804	1,801	227	842	1,030	50	123	3,479	6,975	7,390	79.2	91.2	1,834	640	—88	—989
Chesapeake & Ohio	3 mos.	5,076	104,073	495	109,425	101,802	16,749	10,856	6,114	21,527	19,756	6,120	3,046	43,541	91,591	81,153	83.7	79.7	17,834	2,023	13,981	13,153
	12 mos.	5,095	391,453	2,252	413,186	400,508	53,449	44,256	10,751	80,014	77,755	24,672	11,358	164,828	334,245	317,881	80.9	79.4	78,941	30,299	40,222	46,053
Chicago & Eastern Illinois	3 mos.	643	6,606	—	6,788	12,782	1,618	2,119	— 37	1,510	2,224	338	349	2,763	6,659	9,906	98.0	77.5	130	-274	—1,089	396
	12 mos.	716	35,887	39	37,552	47,433	7,876	8,097	520	7,013	8,720	1,721	1,470	13,361	31,683	38,646	84.4	73.2	5,869	1,600	—1,121	—1 111
Chicago & Illinois Midland	3 mos.	121	1,032	—	1,076	1,097	126	94	21	268	244	36	7	332	822	736	76.3	67.1	255	105	160	192
	12 mos.	121	3,870	—	4,039	4,585	483	416	84	930	863	142	27	1,296	3,157	3,105	78.2	67.7	882	654	234	528
Chicago & North Western	3 mos.	11,436	67,085	5,487	75,271	71,496	12,970	10,620	3,234	12,477	12,038	4,224	2,173	34,321	66,909	61,269	88.9	85.7	8,362	5,532	—5,372	—918
	12 mos.	11,512	253,027	21,627	285,982	275,771	44,948	41,263	7,600	50,193	46,836	16,915	8,837	127,987	251,587	235,597	88.0	85.4	34,394	23,049	—18,373	—2,313
Chicago, Burlington & Quincy	3 mos.	8,430	71,285	3,596	80,346	78,597	9,682	9,588	2,543	12,767	12,340	4,080	2,521	32,015	61,107	58,349	76.1	74.2	19,239	8,154	6,662	8 628
	12 mos.	8,451	262,099	15,722	299,244	284,752	40,246	37,593	6,475	52,516	49,483	16,847	9,148	123,546	242,161	227,962	80.9	80.1	57,083	25,824	15,967	21,668
Chic., Milw., St. Paul & Pacific	3 mos.	10,479	60,021	2,540	67,449	69,698	10,066	10,504	13,73	10,883	10,932	3,178	1,839	29,650	56 557	56,284	83.9	80.8	10,891	6,039	—2,247	2,370
	12 mos.	10,488	239,234	10,415	269.108	268,675	44,773	39,469	5,294	44,846	42,784	12.947	7,559	116,302	230 631	219,545	85.7	81.7	38,477	23,311	—10,182	7,247
Chicago, Rock Island & Pacific	3 mos.	7,264	63,256	1,316	67,220	62,423	4,959	8,770	1,111	10,794	9,607	1,791	1,859	30,199	51,044	49,848	75.9	79.9	16,176	4,288	1,795	1 130
	12 mos.	7,266	243,195	5,623	259,584	239,346	35,444	34,766	3,270	41,927	39,689	7,219	7,290	113,579	211,222	196,613	81.4	82.1	48,362	18,652	—7,877	—6,518
Clinchfield	3 mos.	306	8.802	20	8,878	7,825	661	813	81	1,219	1,334	609	266	2,249	4,690	4,783	52.8	61.1	4,188	1,066	3.421	2,353
	12 mos.	306	33,198	65	33,502	30,328	3,071	3,251	299	4,827	4,930	2,432	1,013	8,797	18,826	18 593	56.2	61.3	14,676	3,299	12,046	9 431
Colorado & Southern	3 mos.	692	4,705	—	4,784	4,094	558	397	72	724	842	303	79	1,440	3,111	2,991	65.0	73.1	1,674	603	759	547
	12 mos.	696	17,568	—	17,951	16,175	1,998	1,733	226	2,719	2,874	1,217	292	5,914	12 122	11,209	67.5	69.3	5,829	2,010	2,929	2,874
Ft. Worth & Denver	3 mos.	1,280	4 585	—	4,763	4,085	767	627	88	561	528	115	203	2,302	4,195	3,693	87.9	90.4	567	239	—72	—362
	12 mos.	1,280	17,098	—	17,833	18,285	2.704	2,526	397	2,145	2,400	458	766	8,124	15,167	14,904	85.1	81.5	2,666	800	199	—138
Delaware & Hudson	3 mos.	751	10,581	147	10,967	10,394	1,333	1,196	130	1,923	1,553	386	362	4,242	8,695	7,694	79.3	74.0	2,273	1,353	876	1,602
	12 mos.	743	43,192	698	45.026	41,454	5,572	5,919	466	7,685	7,940	1,550	1,417	16 620	34,416	33,862	76.4	81.7	10,610	5,278	4,916	2,969
Denver & Rio Grande Western	3 mos.	2,120	24,860	312	25,786	24,341	2,457	2,276	682	3,804	4,101	1,260	883	8,141	16.737	16.168	64.9	66.4	9,049	4,785	3,906	3,659
	12 mos.	2,133	94,508	1,897	98,579	92,662	10,086	9,875	2,036	14,942	15,025	5,309	3,539	32,407	66,766	63,803	67.7	68.9	31,812	16,703	14,355	13,930
Detroit & Toledo Shore Line	3 mos.	50	1,669	—	1,804	1 829	171	195	38	297	278	113	71	573	1,275	1,257	70.1	68.7	529	212	195	292
	12 mos.	50	6,423	—	6,934	6,801	774	605	145	1,117	1,067	949	272	2.430	5.080	4,791	73.3	70.5	1,854	720	732	653
Detroit, Toledo & Ironton	3 mos.	467	7,840	—	8 191	7.540	692	677	104	1,730	1,319	607	236	3,145	6,291	5 306	76.8	70.4	1,901	689	888	1,062
	12 mos.	467	29,881	—	31,209	28,527	2,652	2,489	365	6,035	5,336	2,506	927	11,355	22,812	20,452	73.1	71.7	8,397	2,516	3,281	3,414
Duluth, Missabe & Iron Range	3 mos.	508	7.577	—	8 191	6 390	1,483	1,585	370	1,522	1,479	375	55	2.584	6,626	6,112	80.9	95.7	1,565	1,170	619	147
	12 mos.	510	38,336	—	41,783	35,298	5,832	6,328	1,516	5,990	5,435	2,016	210	10,688	26,323	25,033	63.0	70.9	15,460	10,604	5,682	4,299

(Continued on page 78)

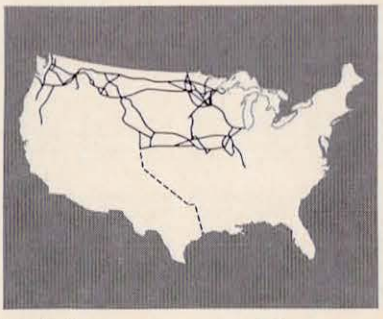
Introducing the Burlington Northern. The new railroad with a good word for shippers.

From this day on all of us on the Burlington Northern are going to use that word "Yes" whenever and wherever we can.

That's why we merged.

That's why we welded four fine railroads—the Burlington, Great Northern, Northern Pacific, and the Spokane, Portland & Seattle into one great new line—to give us even more opportunities to say "Yes".

We're determined to make the new Burlington Northern the most efficient transportation and distribution company in America. Imagine: four railroads operating as a single network along 24,398 miles of track, connecting 18 states and two Canadian provinces, joining the great cities of the Midwest with the cattle-rich plains, the grain lands of the prairies, the timberlands of the Northwest and the great ports where the sea roads start for the Orient.



The merger took this out of the realm of imagination and brought it to a reality. Now it's up to us to make that reality work. It's up to us to use the enormous capabilities we now have to give you a railroad that will do the kind of job you've always wanted a railroad to do.

When shippers ask, "Can we have equipment available at a specified time?", we will say "Yes" more often. Even now we have 125,823 cars in our expanded fleet, and a modern control center to direct them when and where they're needed.

When shippers ask us if we can cut transit time, we intend to say, "Yes, we can!" In fact, we will be using new, shorter routes, reducing delays, speeding freight.

When shippers ask us if we can help them expand profitably into new markets, we will say "Yes!" We're starting in that direction with wider routing and more valuable transit and diversion privileges which became available upon merger.

And to the shipper who asks if we can save him time and money, we'll say, "Yes, we can!"

That's our aim. To say "Yes" and keep on saying it as often as possible.

Contact a Burlington Northern Yes-Man and ask him how the country's newest railroad can serve you. He's the same man you talked to before the merger, except now he can say "Yes" more often.

BURLINGTON NORTHERN

Formerly the Great Northern, Northern Pacific, Chicago, Burlington & Quincy and the Spokane, Portland & Seattle railways.

yes!

Fourth Quarter and Twelve Months' Figures of Calendar Year 1969

(Dollar figures are stated in thousands: i.e., with last three digits omitted)

REVENUES AND EXPENSES OF RAILWAYS

Name of Road		Average mileage operated during period	Operating Revenues: Freight	Operating Revenues: Pass.	Revenues Total (inc. misc.) 1969	Revenues Total (inc. misc.) 1968	Operating Expenses: Maint. Way and Structures: Total 1969	Maint. Way and Structures: Total 1968	Maint. Way and Structures: Deprec. and Retirements	Maint. Equipment: Total 1969	Maint. Equipment: Total 1968	Maint. Equipment: Deprec. and Retirements	Traffic	Transportation	Total 1969	Total 1968	Operating ratio 1969	Operating ratio 1968	Net from railway operation	Railways tax accruals	Net Railway operating income 1969	Net Railway operating income 1968
Duluth Winnipeg & Pacific	3 mos.	170	2,444	—	2,448	2,153	223	228	16	179	427	2	45	832	1,342	1,549	54.8	73.5	1,106	376	374	168
	12 mos.	170	8,900	—	9,002	9,058	1,133	987	65	878	1,132	9	179	3,222	5,683	5,669	63.1	62.9	3,319	1,307	748	895
Elgin, Joliet & Eastern	3 mos.	205	9,705	—	15,171	12,727	1,448	1,288	93	2,634	2,189	496	195	5,710	11,566	10,096	76.2	79.3	3,606	2,282	490	382
	12 mos.	205	38,419	—	60,490	55,156	6,222	5,562	403	9,622	9,223	1,998	736	23,126	45,933	41,662	75.9	75.5	14,557	8,404	2,415	2,443
Erie Lackawanna	3 mos.	2,884	55,127	3,004	63,417	62,386	5,897	6,020	393	11,042	9,355	1,884	1,307	29,008	50,187	46,992	79.1	75.3	13,230	4,902	1,958	4,950
	12 mos.	2,905	218,550	11,491	251,261	243,072	28,290	27,408	2,713	41,017	39,452	7,414	5,342	113,723	199,661	193,942	79.5	79.8	51,600	19,812	9,049	7,780
Florida East Coast	3 mos.	554	7,814	—	7,961	7,394	1,967	3,237	194	1,218	1,228	277	228	1,192	5,143	6,642	64.6	89.8	2,817	1,234	704	—112
	12 mos.	567	29,817	—	30,505	25,698	8,277	8,541	803	4,338	4,042	1,122	819	7,220	22,479	21,183	73.7	82.4	8,026	2,970	1,285	—308
Georgia Railroad	3 mos.	331	2,654	2	2,754	2,427	328	381	48	583	381	103	135	920	2,113	1,978	76.7	81.5	641	149	290	177
	12 mos.	331	9,712	25	10,214	9,782	1,438	1,439	134	1,821	1,627	413	543	3,583	7,983	7,944	78.2	81.2	2,231	603	924	649
Grand Trunk Western	3 mos.	946	17,815	497	19,893	19,008	2,300	2,050	200	3,059	2,142	197	421	10,590	17,573	14,908	88.3	78.4	2,320	1,866	—4,103	—2,359
	12 mos.	946	68,169	2,097	75,503	70,656	9,350	8,120	761	11,183	9,460	783	1,785	40,646	67,609	58,282	89.5	82.5	7,894	7,169	—17,088	—9,129
Great Northern	3 mos.	8,274	63,627	1,945	71,935	72,543	10,927	9,455	1,455	11,993	12,134	3,471	2,315	30,058	60,119	55,318	83.6	76.3	11,816	7,167	4,335	9,563
	12 mos.	8,275	262,041	8,554	289,125	266,305	45,675	39,710	5,002	48,374	46,349	13,838	8,533	115,955	237,693	217,280	82.2	81.6	51,432	30,090	19,248	20,574
Gulf Mobile & Ohio	3 mos.	2,734	23,758	442	25,564	25,507	3,194	3,234	324	4,845	4,572	1,373	889	8,662	18,692	17,954	73.1	73.5	6,872	2,616	2,651	2,721
	12 mos.	2,734	92,651	1,848	99,688	96,147	13,419	12,364	1,217	19,222	18,235	5,452	3,603	33,822	74,482	70,785	74.7	73.6	25,206	9,454	10,160	10,390
Illinois Central	3 mos.	6,772	78,720	5,604	88,279	78,833	11,307	9,276	1,325	17,434	14,551	4,385	2,308	34,331	71,099	61,740	80.5	78.3	17,180	6,264	5,791	5,177
	12 mos.	6,780	283,782	22,722	322,700	304,571	42,531	39,063	5,655	57,562	56,046	16,926	8,723	125,210	255,608	243,164	79.2	79.8	67,092	29,471	21,602	15,931
Illinois Terminal	3 mos.	393	2,401	—	2,752	2,573	287	362	11	413	665	99	77	1,132	2,097	2,421	76.2	94.1	654	219	84	—337
	12 mos.	353	9,115	—	10,357	9,927	1,140	1,311	45	1,787	2,152	421	286	4,320	8,286	8,675	80.0	87.4	2,070	833	—59	—851
Kansas City Southern	3 mos.	1,684	21,032	62	22,062	20,046	2,081	2,323	252	3,473	3,008	1,172	850	7,026	14,614	13,603	66.2	67.9	7,448	1,906	3,665	2,366
	12 mos.	1,684	78,413	511	83,636	78,872	9,132	9,446	946	13,200	12,245	4,788	3,183	27,676	57,293	54,643	68.5	69.3	26,344	7,887	11,456	9,493
Kansas, Oklahoma & Gulf	3 mos.	205	1,400	—	1,399	1,262	329	182	62	270	258	181	96	303	1,077	862	77.0	68.3	322	153	513	713
	12 mos.	207	5,120	—	5,130	4,940	843	640	97	1,092	1,240	733	345	1,208	3,753	3,734	73.1	75.6	1,377	545	2,365	2,461
Lake Superior & Ishpeming	3 mos.	130	1,674	—	1,910	1,142	290	241	70	400	360	188	12	600	1,422	1,177	74.5	103.0	488	502	—5	47
	12 mos.	130	6,057	—	7,217	6,301	1,105	1,174	275	1,516	1,461	751	44	2,110	5,219	4,977	72.3	78.9	1,998	1,493	620	588
Lehigh Valley	3 mos.	923	11,845	—	12,304	11,688	1,563	1,479	258	2,122	1,597	153	401	5,688	10,424	10,178	84.7	87.1	1,880	981	—811	—1,020
	12 mos.	938	47,011	—	48,819	46,438	5,828	5,856	1,015	7,021	6,630	1,155	1,638	23,582	40,971	40,583	83.9	87.4	7,848	3,921	—3,298	—4,445
Long Island	3 mos.	322	2,291	19,267	22,472	21,127	3,241	3,254	369	6,700	5,550	887	185	14,761	26,550	23,453	118.1	111.0	—4,078	1,609	—6,735	—4,856
	12 mos.	322	9,133	75,394	88,184	86,088	11,978	10,459	1,196	23,811	21,003	3,104	847	54,704	97,801	86,972	110.9	101.0	—9,617	6,349	—20,267	—10,768
Louisiana & Arkansas	3 mos.						Included in Kansas City Southern															
	12 mos.						Included in Kansas City Southern															
Louisville & Nashville	3 mos.	6,049	89,384	325	92,261	77,567	13,713	9,812	1,387	19,257	15,980	6,714	2,268	35,634	77,065	59,821	83.5	77.1	15,196	7,440	6,539	10,602
	12 mos.	5,972	328,189	1,595	340,594	301,712	49,837	40,020	5,144	70,646	63,175	26,084	8,301	126,877	275,891	239,415	81.0	79.4	64,703	28,104	32,916	35,079
Maine Central	3 mos.	921	6,073	—	6,159	6,123	1,171	1,066	91	1,329	1,277	286	102	2,515	5,526	4,993	89.3	81.5	632	481	—140	623
	12 mos.	921	24,781	—	25,202	24,149	5,041	4,185	353	5,250	4,925	1,159	467	9,719	22,065	19,704	87.6	81.6	3,137	1,867	128	1,803
Missouri-Illinois	3 mos.	333	1,881	—	1,896	1,650	605	111	385	711	525	350	45	409	1,873	1,107	98.0	67.1	23	195	673	1,292
	12 mos.	383	6,900	—	6,986	6,820	1,307	739	438	2,589	2,168	1,404	108	1,550	5,877	4,780	84.1	70.1	1,109	1,055	3,710	4,532
Missouri-Kansas-Texas	3 mos.	2,772	16,471	—	17,028	16,004	2,485	2,413	452	2,336	1,761	444	889	6,864	13,572	12,435	79.7	77.7	3,456	1,169	—747	—244
	12 mos.	2,776	64,265	—	66,662	64,593	10,107	9,515	1,374	8,391	7,986	1,810	3,441	25,774	51,269	48,439	76.9	75.0	15,393	5,145	—1,371	—769
Missouri Pacific	3 mos.	8,921	87,949	338	93,002	87,996	14,585	15,151	2,003	15,779	14,914	3,808	2,222	32,328	69,007	67,980	74.2	77.3	23,995	6,780	7,953	5,433
	12 mos.	8,943	331,173	1,734	351,632	331,531	55,145	52,697	6,113	58,218	54,903	14,505	8,447	123,614	261,886	249,870	75.5	75.4	89,746	26,063	28,949	25,568
Monon	3 mos.	540	5,632	—	5,819	5,697	876	836	75	1,042	686	214	258	2,170	4,764	4,237	81.9	74.4	1,054	431	171	486
	12 mos.	540	21,812	—	22,748	21,349	3,234	2,926	293	3,535	3,121	822	1,004	8,458	17,850	16,343	78.5	76.6	4,898	1,658	839	1,440
Monongahela	3 mos.	193	2,341	—	2,350	2,211	243	529	33	195	217	34	3	391	856	1,218	36.4	55.1	1,494	61	1,220	580
	12 mos.	193	6,092	—	6,131	6,585	1,199	1,815	132	840	788	136	14	1,640	3,869	4,577	63.1	69.5	2,262	310	766	289
New York, New Haven & Hartford	3 mos.						Included in Penn Central															
	12 mos.						Included in Penn Central															
Norfolk & Western	3 mos.	7,594	170,461	446	178,353	164,247	20,048	17,976	2,913	28,954	26,698	12,165	3,897	64,050	124,981	115,684	70.1	70.4	53,372	10,608	34,399	27,013
	12 mos.	7,587	652,340	1,808	681,043	641,839	75,069	67,368	10,469	110,134	102,803	46,532	15,016	244,404	476,383	447,599	69.9	69.7	204,660	56,901	117,556	106,884
Norfolk Southern	3 mos.	624	3,080	—	3,171	3,128	558	571	73	491	478	176	164	991	2,484	24,58	78.3	78.6	687	197	235	219
	12 mos.	624	11,840	—	12,096	11,476	2,238	1,923	292	1,913	1,789	708	644	3,945	9,874	8,969	81.6	78.2	2,222	902	453	839

Fourth Quarter and Twelve Months' Figures of Calendar Year 1969

(Dollar figures are stated in thousands: i.e., with last three digits omitted)

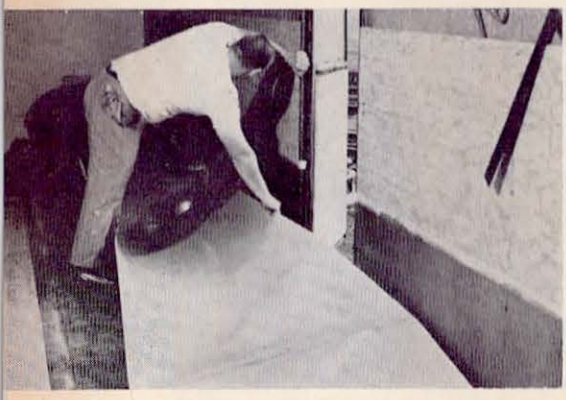
Name of Road		Average mileage operated during period	Operating Revenues		Total 1969	Total (inc. misc.) 1968	Operating Expenses: Maint. Way and Structures: Total 1969	Total 1968	Deprec. and Retirements	Maint. Equipment: Total 1969	Total 1968	Deprec. and Retirements	Traffic	Transportation	Total 1969	Total 1968	Operating ratio 1969	Operating ratio 1968	Net from railway operation	Railways tax accruals	Net Railway operating income 1969	Net Railway operating income 1968
			Freight	Pass.																		
Northern Pacific	3 mos.	6,768	51,572	1,148	54,824	56,760	6,881	8,584	672	10,942	9,453	3,456	1,519	22,653	46,040	44,895	83.9	79.1	8,783	4,632	5,269	7,346
	12 mos.	6,772	200,455	5,018	214,093	210,001	31,661	32,286	3,829	42,271	38,650	13,305	6,435	90,978	188,027	177,449	87.8	84.5	26,066	20,498	10,268	14,491
Northwestern Pacific	3 mos.	324	2,226	3	2,237	2,627	377	701	65	144	159	3	19	922	1,656	1,823	74.0	69.4	581	177	—120	—35
	12 mos.	324	10,211	16	10,271	10,683	2,511	2,507	278	542	526	13	88	3,616	7,321	6,920	71.3	64.8	2,950	916	—76	828
Penn Central Transport.	3 mos.	20,419	355,092	37,173	429,635	369,859	53,233	45,312	7,665	79,116	63,203	15,981	5,963	212,845	382,613	321,976	89.1	87.1	47,022	37,731	—35,453	—21,947
	12 mos.	20,502	1,344,578	147,112	1,651,978	1,516,237	190,318	173,066	29,560	282,971	254,489	64,042	23,944	801,653	1,414,162	1,267,896	85.6	83.6	237,816	121,834	—67,821	—26,993
Penn-Reading Seashore Lines	3 mos.	322	1,919	21	2,117	1,944	408	498	44	375	349	36	15	1,373	2,258	2,307	106.7	118.7	—142	144	—916	—1,038
	12 mos.	322	7,592	140	8,420	7,847	1,713	1,733	212	1,472	1,475	219	56	5,578	9,248	9,108	109.8	116.1	—827	646	—3,769	—3,926
Piedmont & Northern	3 mos.	Merged into Seaboard Coast Line July 1, 1969																				
	12 mos.	Merged into Seaboard Coast Line July 1, 1969																				
Pittsburgh & Lake Erie	3 mos.	209	9,174	16	9,677	6,953	942	755	56	3,148	2,165	1,469	211	3,779	8,727	6,928	90.2	99.6	950	2,677	2,864	3,732
	12 mos.	209	36,182	61	38,405	33,817	4,082	3,673	523	12,609	10,735	5,788	821	14,294	34,364	31,069	89.5	91.9	4,041	10,718	11,253	13,691
Reading	3 mos.	1,228	22,291	2,025	26,995	26,295	4,168	3,749	658	4,992	4,985	1,482	635	11,717	23,238	22,808	86.1	86.7	3,757	2,217	—501	135
	12 mos.	1,228	89,437	7,696	108,173	105,971	16,214	15,823	2,451	19,454	19,898	5,971	2,794	46,873	92,461	91,473	85.5	86.3	15,712	8,750	—603	—203
Richmond, Fredericksburg & Potomac	3 mos.	118	4,708	761	6,196	6,394	752	549	129	917	727	245	104	2,049	4,310	4,043	69.6	63.2	1,886	1,208	572	748
	12 mos.	118	20,468	3,879	27,717	25,840	2,567	2,166	443	3,496	3,305	982	394	8,711	17,454	16,421	63.0	63.5	10,263	6,135	3,479	3,200
St. Louis-San Francisco	3 mos.	4,547	43,694	—	45,704	42,315	4,664	4,600	686	5,816	5,459	2,250	1,555	17,499	32,159	29,668	70.4	70.1	13,545	5,229	6,150	5,702
	12 mos.	4,558	167,131	—	175,184	161,040	21,217	20,867	2,843	23,398	22,206	8,852	6,075	67,157	127,786	117,558	72.9	73.0	47,398	18,809	20,511	18,650
St. Louis-Southwestern	3 mos.	1,520	29,493	1	29,947	28,105	2,691	3,740	313	5,642	5,495	2,561	757	10,457	20,300	20,871	67.8	74.3	9,647	5,651	4,816	4,424
	12 mos.	1,543	115,182	1	116,861	107,890	10,210	10,447	991	19,781	18,445	9,842	2,970	38,362	74,450	71,224	63.7	66.0	42,411	18,211	26,146	24,253
Savannah & Atlanta	3 mos.	167	1,041	—	1,080	914	63	106	11	246	175	87	30	323	767	706	71.0	77.3	313	404	86	164
	12 mos.	167	4,380	—	4,519	4,274	420	717	184	889	707	347	109	1,322	3,121	3,157	69.1	73.9	1,398	1,207	539	646
Seaboard Coast Line	3 mos.	9,263	112,321	3,778	121,534	112,429	15,118	13,608	1,585	21,945	19,482	6,060	3,490	45,223	92,366	88,216	76.0	78.5	29,168	10,975	7,356	5,930
	12 mos.	9,283	441,260	20,666	484,637	438,887	59,732	55,517	6,318	83,939	78,308	24,494	13,972	182,555	366,089	346,607	75.5	79.0	118,548	43,816	35,122	25,330
Soo Line	3 mos.	4,696	27,116	—	27,641	25,704	4,705	4,346	343	3,636	3,187	910	815	10,357	20,723	18,744	75.0	72.9	6,919	2,281	2,441	2,729
	12 mos.	4,696	103,390	—	105,739	94,075	16,883	14,688	1,336	14,118	12,778	3,623	3,159	41,045	79,908	70,915	75.6	75.4	25,830	8,979	7,790	8,836
Southern Railway	3 mos.	6,075	91,762	893	97,133	91,610	14,171	11,705	1,516	17,860	15,068	5,558	2,377	30,599	69,958	62,591	72.0	68.3	27,176	11,389	15,274	14,425
	12 mos.	6,075	357,061	4,406	378,361	342,433	51,657	42,119	6,112	65,894	59,907	21,067	8,599	118,676	264,664	239,527	70.0	69.9	113,697	46,596	55,677	46,037
Alabama Great Southern	3 mos.	530	9,529	79	10,110	8,721	1,515	1,336	342	2,166	1,779	692	255	4,817	9,325	6,948	92.2	79.7	785	746	—833	918
	12 mos.	530	37,276	419	39,732	36,146	7,081	4,869	970	7,735	7,034	2,498	909	15,707	33,733	26,955	84.9	74.6	5,999	2,152	362	4,558
Cinn., New Orleans & Tex. Pac.	3 mos.	337	12,757	17	13,329	11,917	2,173	1,437	227	3,257	2,830	1,278	344	3,512	9,893	8,872	74.2	74.4	3,435	1,443	2,458	2,169
	12 mos.	337	50,778	110	53,181	48,779	6,573	5,763	992	11,607	10,813	4,734	1,213	14,563	36,252	34,214	68.2	70.1	16,928	7,299	10,461	10,309
Georgia Southern & Florida	3 mos.	395	4,058	—	4,244	3,968	719	492	66	372	190	82	105	1,371	2,732	1,917	64.4	48.3	1,512	141	280	452
	12 mos.	395	15,423	6	16,159	14,924	2,481	2,042	210	1,057	772	160	360	4,692	9,204	7,478	57.0	50.1	6,955	1,074	1,428	1,500
New Orleans & Northeastern	3 mos.	Merged into Alabama Great Southern January 31, 1969																				
	12 mos.	Merged into Alabama Great Southern January 31, 1969																				
Southern Pacific Transport.	3 mos.	11,735	222,758	2,601	233,724	216,270	27,084	26,935	3,730	43,457	41,817	14,606	3,949	94,985	182,611	174,045	78.1	80.5	51,113	21,630	18,393	12,350
	12 mos.	11,749	881,611	11,642	923,922	860,168	109,979	102,127	12,155	169,963	163,969	57,773	15,208	369,644	719,317	672,008	77.9	78.1	204,605	86,042	69,272	65,161
Spokane, Portland & Seattle	3 mos.	922	9,528	146	10,397	10,256	1,499	2,137	222	2,064	1,785	398	140	4,410	8,624	8,720	82.9	85.0	1,773	666	260	416
	12 mos.	922	38,411	646	41,778	39,679	5,929	6,529	750	7,011	6,468	1,596	546	17,595	33,094	31,402	79.2	79.1	8,684	4,006	1,516	2,142
Texas & Pacific	3 mos.	1,936	20,597	32	22,114	21,581	1,946	3,087	162	3,927	3,831	1,244	761	8,344	15,964	16,717	72.2	77.5	6,151	1,459	3,373	2,079
	12 mos.	1,944	79,966	223	85,845	79,870	10,751	11,480	1,149	15,534	14,436	5,017	2,916	32,103	65,025	63,519	75.7	79.5	20,821	5,641	9,202	6,534
Toledo, Peoria & Western	3 mos.	239	2,253	—	2,383	2,338	425	349	14	251	206	57	185	879	1,904	1,793	79.9	76.7	479	167	52	116
	12 mos.	239	8,992	—	9,500	9,023	1,454	1,172	71	955	863	226	731	3,388	7,245	6,611	76.3	73.3	2,256	832	471	653
Union Pacific	3 mos.	9,473	151,515	2,867	162,898	158,747	19,392	16,947	1,963	29,075	25,809	12,464	4,681	61,485	126,700	116,809	77.8	73.6	36,198	9,844	24,482	27,631
	12 mos.	9,480	587,008	12,596	630,407	595,031	72,893	69,408	7,624	112,336	107,021	48,777	17,129	231,409	477,072	450,001	75.7	75.6	153,334	67,390	81,553	80,239
Western Maryland	3 mos.	865	11,257	—	11,906	11,612	2,033	1,822	199	2,914	2,612	841	487	4,352	10,581	9,933	88.9	85.5	1,325	795	1,536	1,587
	12 mos.	865	46,699	—	49,442	47,872	7,591	7,363	860	11,546	11,548	3,646	1,898	17,902	41,933	41,001	84.8	85.7	7,509	4,210	6,646	6,855
Western Pacific	3 mos.	1,176	16,493	317	17,235	18,112	3,508	2,201	277	3,830	3,283	1,007	947	7,552	17,370	14,753	100.8	81.5	—135	205	—1,231	1,686
	12 mos.	1,176	64,131	1,681	67,764	67,475	10,598	8,662	1,127	14,092	11,981	3,967	3,720	28,047	62,532	54,621	92.3	81.0	5,232	2,980	—44	6,234

New Products Report

Bulkhead system (RA-1)

The new Equipco air cushion bulkhead system (ACB) features a pair of sturdy steel panels between which is "sandwiched" an inflatable air cushion. Designed to contain loads during impacts and in transit and to eliminate the need for box car side fillers, the ACB also provides a slight degree of shock absorption. Some of its other outstanding features are: Easy installation, even in existing cars; a single operating handle for almost effortless maneuverability; positive self-locking mechanism; simple maintenance; compatibility with oversize door openings; and added room for easier lift truck movement. Altogether, there are three variations of the basic Equipco system: (1) one primary bulkhead, a "floating" bulkhead, and an air cushion between; (2) a primary bulkhead with a "floating" bulkhead and an air cushion on each side; and (3) an air cushion and a floating bulkhead mounted directly to each end of the car, with the car ends serving as primary bulkheads. The system has been service tested and impacted on a test ramp under typical loads of 126,240 lbs.

Thus, the new system not only makes it possible to load pallets safely in the doorway area, but it also permits more room for easier lift-truck maneuverability. Specifications on the system are available. *Unarco Industries.*



Trailer liner (RA-2)

A new type of trailer liner, called SEALGARD, is a polypropylene laminated liner which is adhesive applied to the interiors of refrigerator cars, vans, bodies and tank trailers. It is nontoxic and imparts no odor or taste to commodities.

SEALGARD liner has high impact and abrasion resistance. It is nonporous, chemically inert, and easily cleanable with steam or acid bath. Since it is adhesive, no other fastening devices are required. All seams can be easily sealed through an easily performed welding technique, guaranteeing there will be no leakage at corners or on flat surfaces.

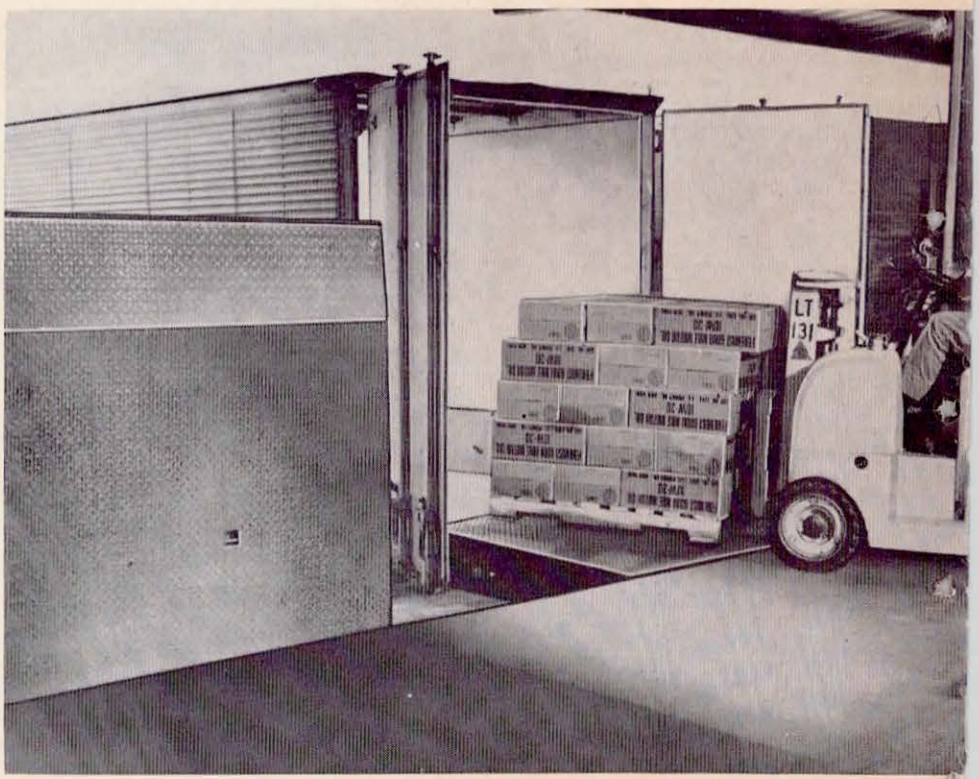
Because of its physical properties, the liner is ideal for protection against corrosion of most acids and salts. SEALGARD is being used in meat trailers and plants, and in handling all types of food products. It comes in rolls 90-ft and 100-ft long to provide a smooth, seamless application the length of a trailer. *U.S. Expansion Bolt Co.*

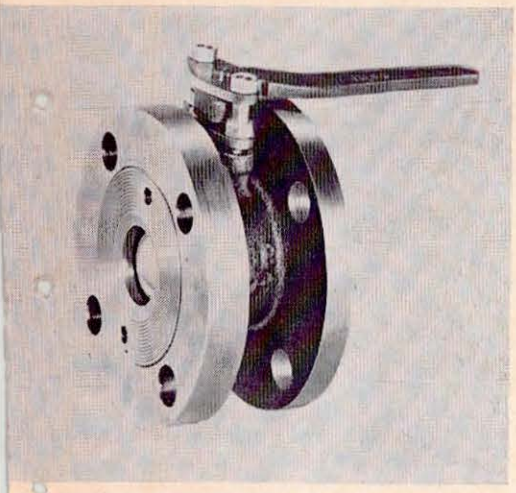
Dock leveler (RA-3)

The new Model VHL hinged lip fully mechanical dock leveler for bi-level docks can be stored in the vertical position. The unit, designed for use in terminals or warehouses, allows truck doors to be opened or closed and sealed at the dock. This saves about three minutes per arrival or departure and prevents pilferage and damage to cargo or truck doors.

The spring counterbalanced platform —5 ft, 7 in. long by 6 ft wide—is easily lowered by one man standing at the side of the dock leveler to serve truckbeds from 10½ in. below dock level to 11 in. above dock level. The 16-in.-long lip can be retracted by an auxiliary lip release lever to place or remove end loads.

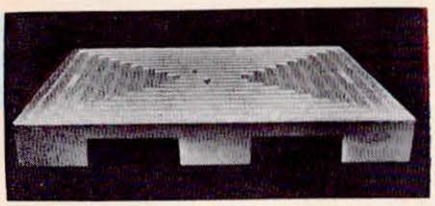
The dock leveler is conservatively rated at 20,000-lb capacity, with a 3:1 safety factor. Two laminated rubber dock bumpers, 15 in. long by 12 in. high by 4 in. deep, are furnished with each unit, which has a one-year guarantee against defects. *Rite-Hite Corp.*





Tank car valve (RA-4)

The RegO Ball Valve has been designed specifically for tank cars carrying low-pressure liquids. It is available in 1-, 2- and 3-in. flanged connections and may be used for loading or unloading. This Model TA7860 valve has flexible wave-like springs which exert pressure against the main teflon ball seal, allowing for expansion and contraction under temperature change and general use. Sealing is always bubble-tight, yet the handle moves with constant ease. With the teflon seal on the upstream side of the valve, it is said to prevent reverse flow. In addition to the primary seal, there are two graphitar rings on either side of the ball which can function as substitute seals, preventing excessive product loss should the teflon seal be damaged. *Bastian Blessing.*

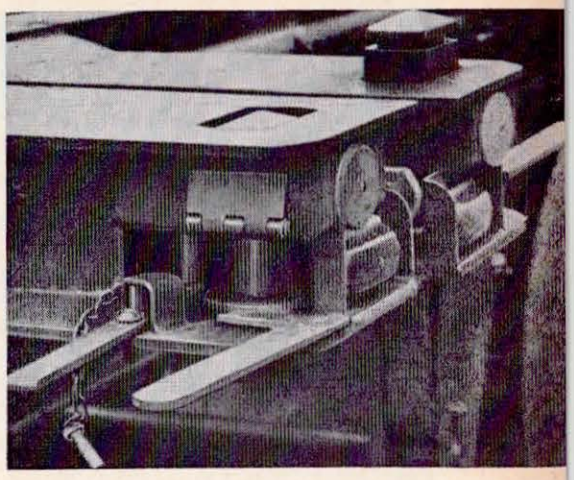


Molded pallet (RA-5)

The 40- x 48-in. F.M. approved Ampac pallet, molded of foam polystyrene, weighs only 6½ lb compared with 70 to 90 lb for wood pallets of like size. It has a load-carrying capacity of 4,000 lb during shipment and 6,000 lb during static storage. It is non-absorbent, repels moisture, oil and most common chemicals. It is inexpensive enough to be disposable, but durable enough to last through many trips. *American Packaging Products.*

Brake adjuster (RA-6)

The Touchstone Quik-Just Brake Adjuster for the truck-mounted rigging of locomotives is designed to fit a large number of models. Its slide-bar is universal so that there is no need for stocking separate left-hand and right-hand screw-type adjusters. Shoe changes and routine adjustments can be speeded since it is necessary only to remove the keeper pin, slide the cross trunnion to the desired position and replace the keeper pin. Installation of the adjuster is simple; it can be repaired when damaged. *Super Co.*



Chassis bolster assembly (RA-7)

With its new, and now standard, bolster assembly with retractable ASNI-ISO twist locks the DX 20-40 Couple-able chassis can handle all types of 40-ft containers as well as the 20-ft units. When two chassis are combined to haul a 40-ft container, the locks at the center can be lowered flush with the bolsters, out of the way of the container lower rail. Illustrated is one twist lock in a lowered position where two chassis join. In the raised position each twist lock is supported by a steel shaft secured by a retainer pin. The lock is retracted by removing the retainer pin and moving the shaft aside. The retractable twist-lock feature is standard on all Couple-ables delivered since Feb. 1. A kit to modify existing units is available. *Dorsey Trailers.*

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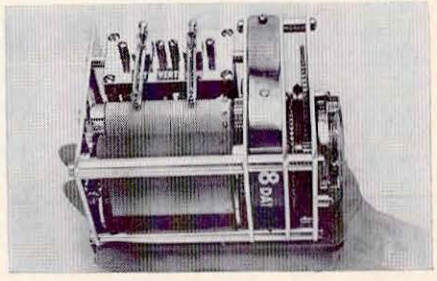
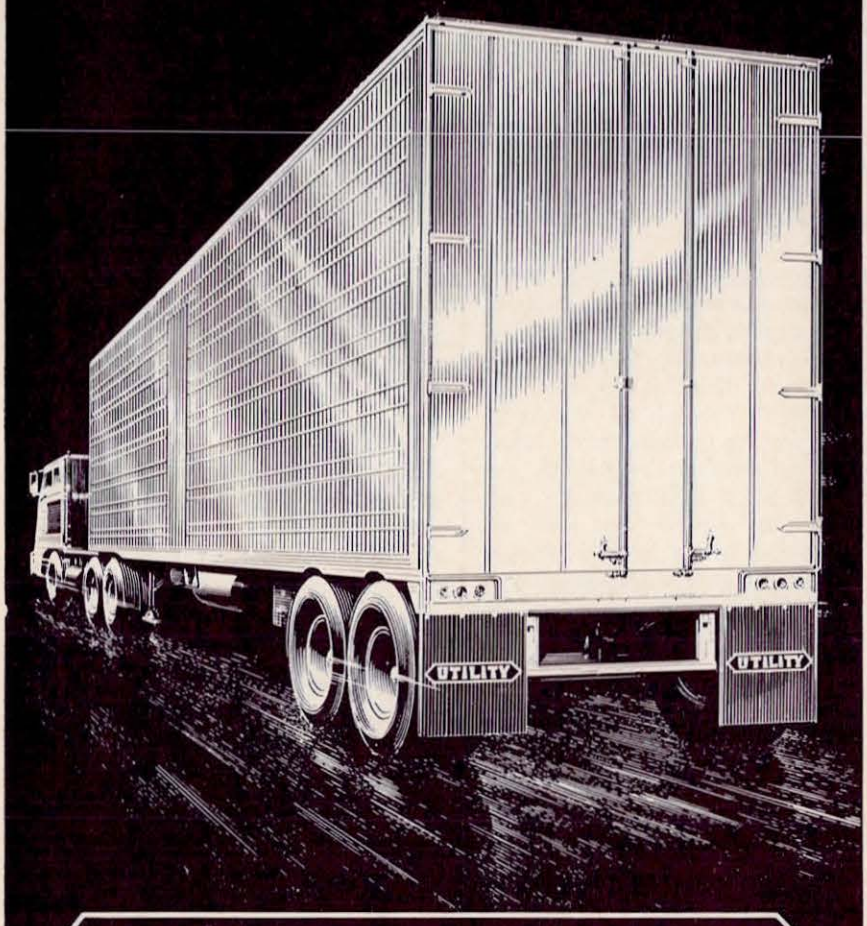


Impact recorder (RA-8)

Time, magnitude and direction of all movements of a package, product, or vehicle are automatically recorded on the GEMM Model 33 three-way, clock-driven, continuous recording accelerometer. The 6- x 3- x 4-in. instrument may also be used in the laboratory for drop tests, vibration tests, and conbur (incline impact) tests; on fork lift trucks; in a shipping container; or on product itself. *Impact Register.*

ONE STANDS OUT



UTILITY

UTILITY TRAILER MFG. CO.,
17300 CHESTNUT AVE., INDUSTRY, CALIF. 91747

Circle 34 on coupon page 81

People

BOSTON & MAINE.—Armond Heerman, director marketing, Boston, appointed vice president–traffic, in charge of marketing, sales and pricing. **R. C. Donovan,** assistant director of marketing–pricing, named assistant vice president–pricing. **C. P. O'Rourke,** assistant director of marketing–sales, named assistant vice president–sales. **R. E. Whitney,** director–piggyback, promoted to assistant vice president–piggyback.

BURLINGTON NORTHERN.—Robert S. Macfarlane, chairman emeritus, **Northern Pacific,** becomes chairman emeritus, **BN. John M. Budd,** formerly president, **Great Northern,** becomes chairman. **Louis W. Menk,** formerly president and chief executive officer, **Northern Pacific,** becomes president. **Robert W. Downing,** formerly executive vice president, **GN,** becomes executive vice president. All will have headquarters in St. Paul. Other principal officers (former positions in parentheses): **Anthony Kane,** vice president, law, St. Paul (vice president and general counsel, **GN); F. S. Farrell,** vice president and general counsel, St. Paul (vice president and general counsel, **NP); L. L. Duxbury,** vice president-Eastern counsel, Washington, D.C. (vice president and Eastern counsel, **GN); J. C. Ashton,** vice president, Washington, D.C. (vice president, **NP); W. N. Ernzen,** vice president, finance, St. Paul (vice president and comptroller, **Burlington); J. A. Tauer,** vice president and controller, St. Paul (vice president and comptroller, **GN); N. M. Lorentzsen,** vice president, operations, St. Paul (vice president-operating, **NP); W. K. Bush,** vice president, Executive Department, St. Paul (vice president, management information service, **Burlington); M. M. Scanlan,** vice president, marketing, St. Paul (vice president, marketing, **GN); E. M. Stevenson,** vice president, sales and service, St. Paul (vice president, traffic, **NP); C. E. Larsen,** vice president, pricing, St. Paul (assistant vice president, marketing-pricing, **Burlington); C. R. Binger,** vice president, resources development, St. Paul (vice president, resources and development, **NP); G. M. Washington,** vice president, oil development, Billings, Mont. (vice president, oil development, **NP); J. L. Robson,** vice president, merger development, St. Paul (vice president, operating, **GN); T. J. Lamphier,** vice president, planning, St. Paul (vice president-administration, **GN); F. H. Coyne,** vice president, management services, St. Paul (vice president, finance, **NP); G. F. Defiel,** vice president, industrial and economic development, St. Paul (vice president, industrial development and real estate, **NP); A. M. Rung,** vice president, public relations and advertising, St. Paul (director, public relations and advertising, **Burlington); R. A. Beulke,** vice president personnel, St. Paul (director of personnel, **NP); G. M. deLambert,** vice president, purchasing and material, St. Paul (assistant vice president-labor relations, **NP); T. C. DeButts,** vice president, labor relations, St. Paul (vice president, labor relations, **GN);**

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a PERMANENT doorpost installation!
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install the new IS POSTmaster and never again will you lose time by shopping cars for doorpost repairs!

Designed for use with *any* existing grain door, the POSTmaster cuts coopering time, requires only one nail per strap, and needs no extension bands.

- **Eliminates faulty coopering**
- **Impossible for the load to pull a nail out**
- ***Yet* nail easily removed with a nail bar**
- **Eliminates bulging grain doors**
- **Virtually eliminates claims at the doorway**

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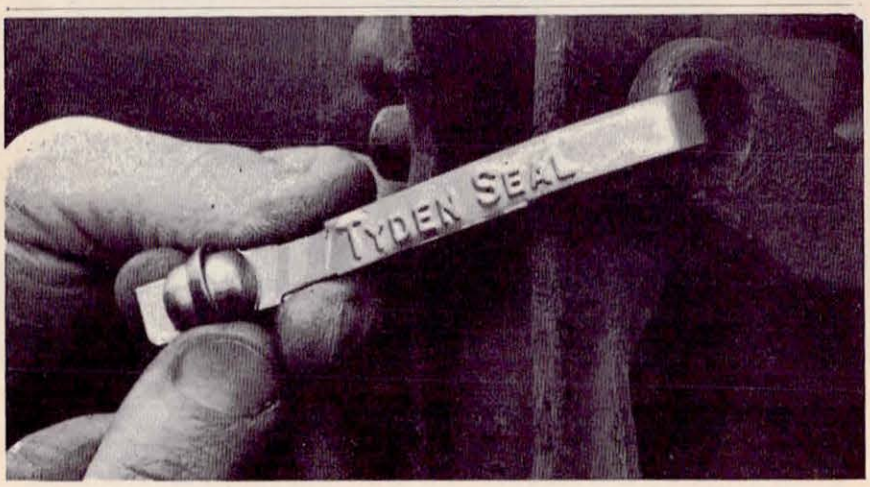

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Circle 38 on coupon page 81

William J. Quinn
Milwaukee

A.J. Porambo
Reading

R. C. Neal, Jr.
Reading

Carl Rittenhouse
Reading

Richard B. Hoffman
Reading

David E. Schafer
Reading

passenger and Philadelphia terminal operations, appointed manager operations. **Richard B. Hoffman,** operations superintendent—planning and control, named superintendent yards and terminals. **David E. Schafer,** division trainmaster, Reading Terminal, appointed operations superintendent—planning and control. **A. S. Pantaleo,** assistant to general manager operations, named superintendent—car distribution and utilization. **T. F. Lapergola,** assistant system agent and operator, appointed assistant superintendent—car distribution and utilization.

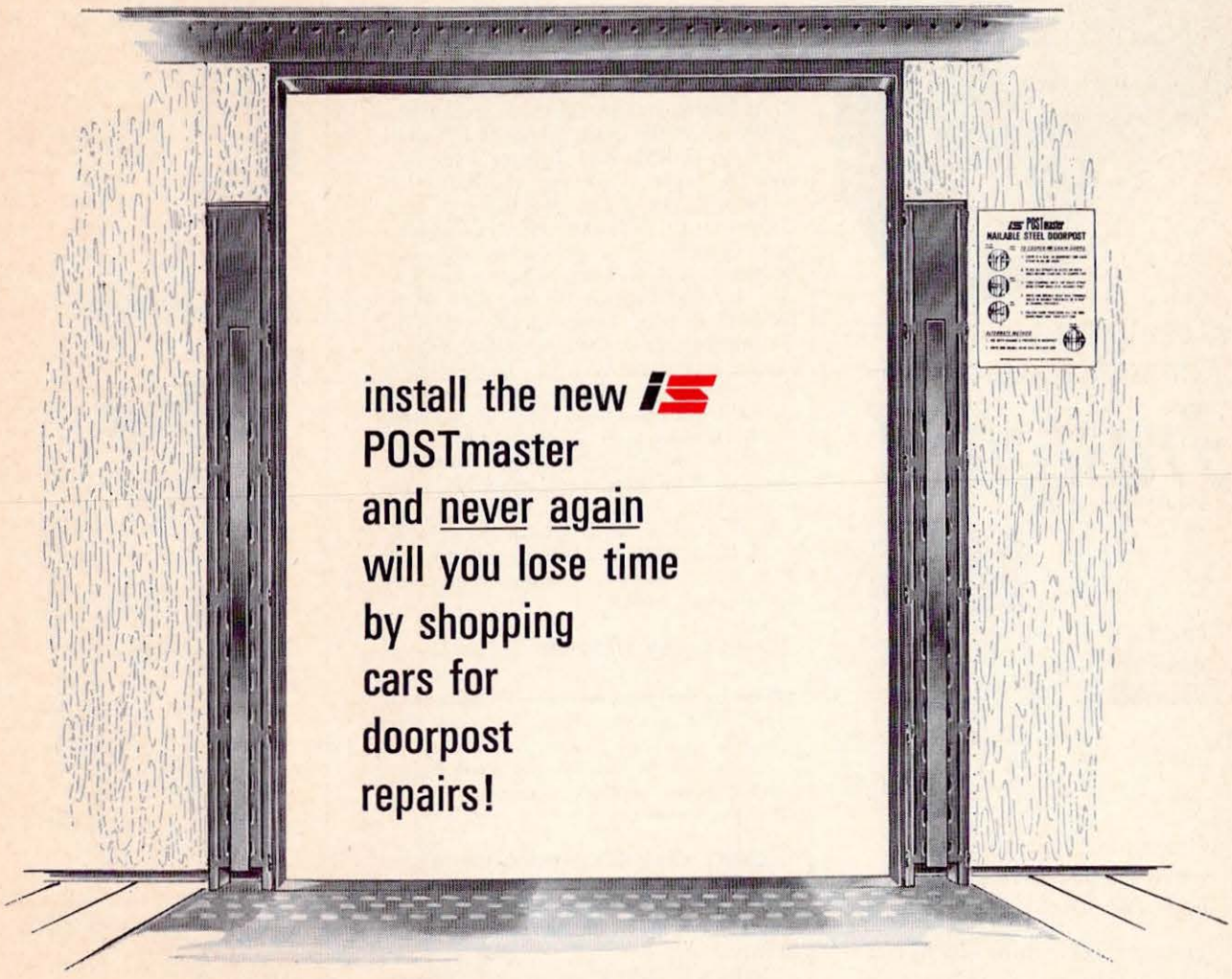
The positions formerly held by Messrs. Porambo, Neal, Rittenhouse and Pantaleo have been discontinued.

SOUTHERN PACIFIC.—Robert D. Allen, assistant manager of perishable traffic, named manager of perishable freight traffic, San Francisco, succeeding **H. E. McNaught,** retired (RA, March 9, p. 56).

Marion J. Jensen appointed general bridge inspector, San Francisco, to succeed **T. D. Osbourne,** who retired Feb. 28 after more than 41 years' service.

TRANSPORTATION ASSOCIATION OF AMERICA.—Paul J. Tierney, former In-

AT LAST
a PERMANENT doorpost installation!
...POSTmaster®



Designed for use with *any* existing grain door, the POSTmaster cuts coopering time, requires only one nail per strap, and needs no extension bands.

- **Eliminates faulty coopering**
- **Impossible for the load to pull a nail out**
- **Yet nail easily removed with a nail bar**
- **Eliminates bulging grain doors**
- **Virtually eliminates claims at the doorway**

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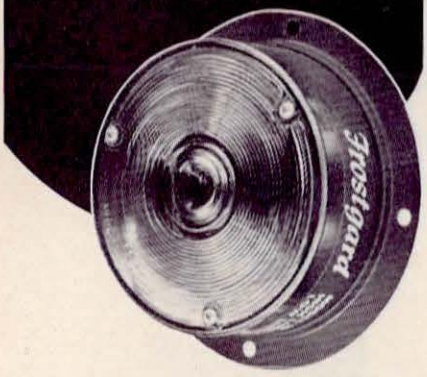
Circle 35 on coupon page 81

PREVENT LOSS!



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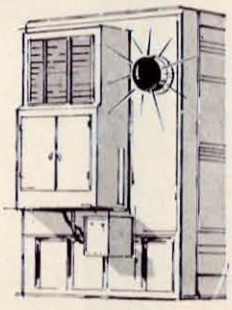

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Frank N. Gaddy
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W. R. Allen, vice president, trucking, St. Paul (assistant to president, **Burlington); C. A. Eckart,** vice president, Executive Department, Seattle (vice president and western counsel, **GN); R. J. Crosby,** vice president and regional counsel, Portland, Ore. (vice president and western counsel, **NP).** Regional vice presidents are: **I. C. Ethington,** Chicago (vice president, operating, **Burlington); D. H. King,** Minneapolis (general manager-Eastern District, **NP); F. E. Deines,** Omaha (vice president, traffic, **Burlington); J. O. Davies,** Billings, Mont. (general manager-Western District, **NP); W. L. Smith,** Seattle (assistant vice president-general manager, Lines West, **GN); N. S. Westergard,** Portland, Ore. (vice president and general manager, **Spokane, Portland & Seattle). L. N. Assell,** formerly secretary and treasurer, **Burlington** becomes treasurer, with headquarters in St. Paul. **R. M. O'Kelly** becomes secretary, St. Paul. Mr. O'Kelly was formerly secretary and treasurer, **GN.**

GRAND TRUNK WESTERN.—In a reorganization of the freight sales department, **Milton J. Sefcik** named freight sales manager, with responsibility for sales and servicing of automotive and steel products traffic. **Frank N. Gaddy** appointed freight sales manager, with responsibility for all other commodities.

ILLINOIS CENTRAL.—Buddy A. Logan named director piggyback sales, Chicago, succeeding **Lester A. Schellenberger,** who retired Dec. 31, 1969, after 48 years of service.

Robert E. Dobroth appointed manager-real estate operations; **John F. Belt,** manager-real estate taxes and administration; **Rixon A. Irvine,** manager-special real estate projects.

MILWAUKEE.—William J. Quinn elected a director, chairman of the board and principal officer of the company, to succeed **Leo T. Crowley,** who will continue as a director. Mr. Quinn was formerly a director and vice chairman, **Burlington Northern.**

Wallace M. Van Buren, assistant district manager of passenger sales, Chicago, named district manager of passenger sales there.

READING.—A. J. Porambo, manager freight operations, Reading, Pa., promoted to general manager operations. **R. C. Neal, Jr.,** manager transportation and TRACE control, named general superintendent transportation. **Carl Rittenhouse,** manager

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Capacity @33':
50,000#

PC-120
Capacity @25':
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Capacity: 60,000# to 90,000#

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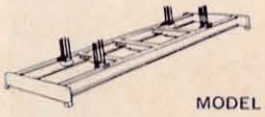
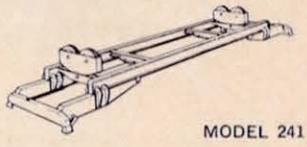


MODEL 220



MODEL 241

LeTro-Grip attachments are available in 7 models, from a 20' non-adjustable top pick to a top and bottom pick adjustable to handle containers (1-40' or 2-20') or trailers up to 26'.

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Circle 36 on coupon page 81

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Articulated steering for fast, accurate alignment, positive pile slope leveling control, and side shift are some of the features that make the LeTro-porter the fastest, most versatile container and trailer handler. The exclusive LeTro-matic drive and control system allows simultaneous operation of all functions without loss of power or speed, even in yards with minimum preparation. Full capacity loads are raised and lowered vertically with no tilting that might cause freight damage. As if these advantages weren't enough, only the LeTro-porter is rated to top pick a 67,500# 40' container or two 44,200# 20' containers. The LeTro-porter is available in capacities from 60,000# to 90,000#, in three different models, including a combination top and bottom pick. Write for a free brochure, specifications, and the name of your nearest distributor.

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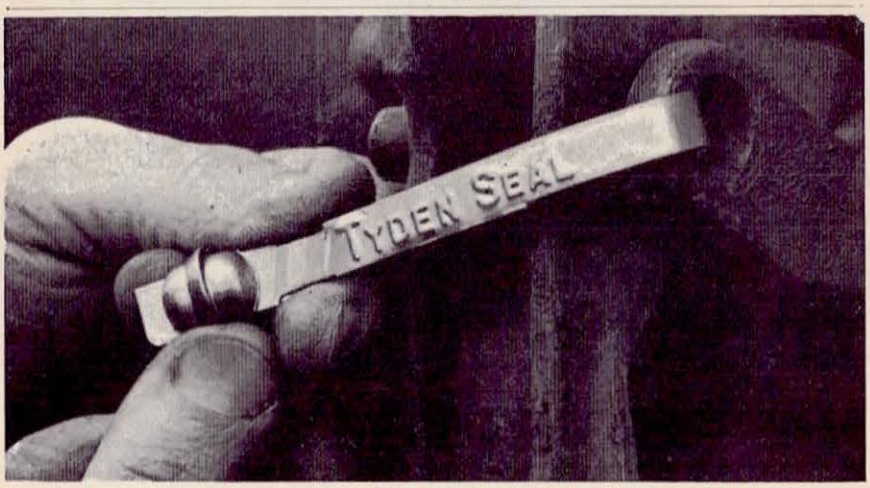

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Division of The Viking Corporation ☐ Hastings, Michigan 49058

Circle 38 on coupon page 81

William J. Quinn
Milwaukee

A.J. Porambo
Reading

R. C. Neal, Jr.
Reading

Carl Rittenhouse
Reading

Richard B. Hoffman
Reading

David E. Schafer
Reading

passenger and Philadelphia terminal operations, appointed manager operations. **Richard B. Hoffman,** operations superintendent–planning and control, named superintendent yards and terminals. **David E. Schafer,** division trainmaster, Reading Terminal, appointed operations superintendent–planning and control. **A. S. Pantaleo,** assistant to general manager operations, named superintendent–car distribution and utilization. **T. F. Lapergola,** assistant system agent and operator, appointed assistant superintendent–car distribution and utilization.

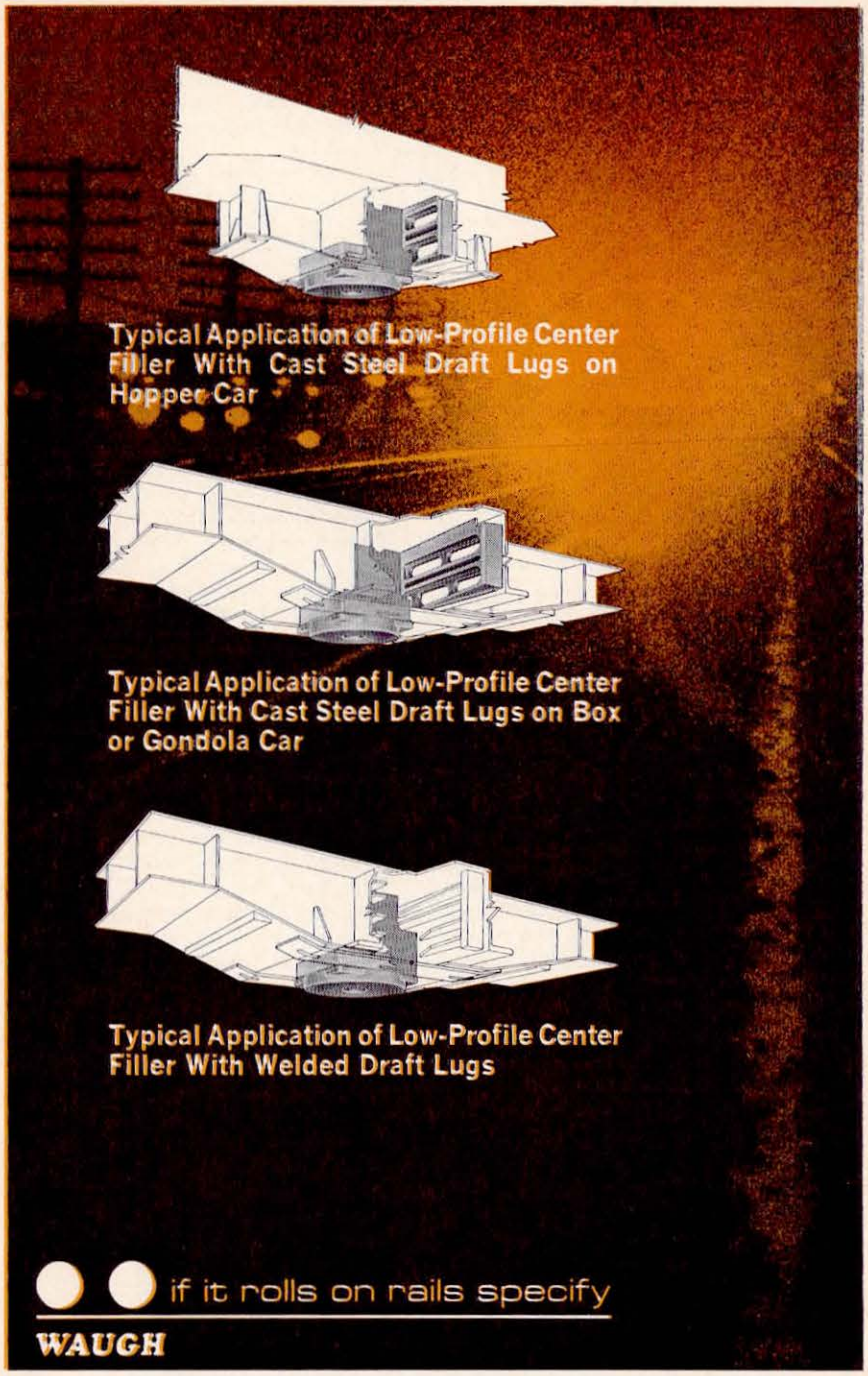
The positions formerly held by Messrs. Porambo, Neal, Rittenhouse and Pantaleo have been discontinued.

SOUTHERN PACIFIC.—Robert D. Allen, assistant manager of perishable traffic, named manager of perishable freight traffic, San Francisco, succeeding **H. E. McNaught,** retired (RA, March 9, p. 56).

Marion J. Jensen appointed general bridge inspector, San Francisco, to succeed **T. D. Osbourne,** who retired Feb. 28 after more than 41 years' service.

TRANSPORTATION ASSOCIATION OF AMERICA.—Paul J. Tierney, former In-

LOW-PROFILE CENTER FILLER


Typical Application of Low-Profile Center Filler With Cast Steel Draft Lugs on Hopper Car
Typical Application of Low-Profile Center Filler With Cast Steel Draft Lugs on Box or Gondola Car
Typical Application of Low-Profile Center Filler With Welded Draft Lugs
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Circle 39 on coupon page 81

Robert D. Allen
SP

N. J. Meis
UP

Robert A. K. Smith
GSI

Arthur I. Wissman
GSI

Patrick A. Templeton
GE

Mark H. Sluis
GRS

terstate Commerce Commissioner, has been appointed vice president and general counsel for TAA.

UNION PACIFIC.—N. J. Meis, general freight and passenger agent, Denver, named to the newly created position of assistant traffic manager there. **J. A. Vendegnia,** freight traffic agent, appointed general traffic agent, Denver, to succeed **E. R. A. Siemers,** retired.

The UP has moved its executive offices to 345 Park Avenue, New York, N.Y. 10022, from 120 Broadway.

SUPPLY TRADE

Robert A. K. Smith has been appointed vice president—railway sales, Castings Division, **General Steel Industries, Inc.,** Granite City, Ill. **Arthur I. Wissman,** district manager—sales, has been appointed general manager—railway sales, Castings Division, reporting to Mr. Smith. **Thomas C. Barton,** vice president—administration, has been named vice president—industrial sales, Castings Division.

Patrick A. Templeton has been appointed manager—transportation systems government relations, Transportation Systems Division, **General Electric Co.,** Washington, D.C., succeeding **Robert M. Coultas,** who became executive vice president, **Institute of Rapid Transit,** Washington, last October. Mr. Templeton was formerly metropolitan transportation representative, responsible for market development, Transit Systems Department, Transportation Systems Division, Erie, Pa.

Guy Jacobs has been appointed manager—industrial locomotive sales, Overseas and Industrial Business Operation, GE's Locomotive Department.

Mark H. Sluis, manager of product engineering, **General Railway Signal Co.,** Rochester, N.Y., has been promoted to vice president—engineering.

White Motor Corp., Cleveland, Ohio, has announced its intention to purchase the assets of **Alco Engine** and **Alco Products Service,** including the Alco diesel engine design rights and the Auburn, N.Y., manufacturing facility and engine services business from **Studebaker-Worthington Corp. R. B. Fairman,** president of Alco Engine, will be president of Alco Engine Division, **White Industrial Power, Inc.,** a new White subsidiary which will include White's Superior Engine Division, Springfield, Ohio. White Motor will assume responsibility for the continuing supply of repair and replacement parts to owners of Alco diesel engines and locomotives, worldwide. **John V. Sylvester,** president of Products Service, will be president, Alco Products Service Division, White Industrial Power.

National Castings Division, Midland-Ross Corp. has assumed sales responsibility for all **Wine Railway Appliances.** Wine products are produced by the corporation's Unitcast Division, Toledo, Ohio. All sales personnel, agents and product managers will report to **Robert D. McIntire,** general manager—sales, National Castings Division, Sharon, Pa. **Joseph M. Gentry** has been named product manager, Wine Railway Appliance, National Castings Sales Group, Toledo. **Robert E. Vey,** eastern regional sales manager for Wine, Philadelphia, named sales representative, Chicago district office, National Castings, **James L. McColough** continues to supervise pricing, quoting and scheduling of Wine Appliances at the Toledo facility, Unitcast Division, but will report to Mr. McIntire. **James D. Hipp,** engineer, promoted to chief engineer, Wine products, reporting to **Russell J. Smith,** general superintendent, Unitcast Division.

OBITUARY

Franklin D. Barber, Jr., 41, president and chief executive officer, **Standard Car Truck Co.,** Chicago, died March 1 in Sherman Hospital, Elgin, Ill.

Ferris P. Beardsley, 52, vice president-sales, **St. Louis Car Division, General Steel Industries,** St. Louis, Mo., died of cancer March 2.

Dr. Charles L. Bidwell, 73, assistant chief medical officer, **Illinois Central,** died March 2 in IC Hospital, Chicago.

Lorne J. Hughes, 85, retired chief engineer, **Rock Island,** died March 6 in Grant Hospital, Chicago.

Charles Layng, 75, contributing editor and former western editor, **Railway Age,** died March 19, at his home in Orlando, Fla.

Milton W. Sibley, 62, chemical engineer, Test and Research Department, **Rock Island,** died March 8 in Michigan City, Ind.

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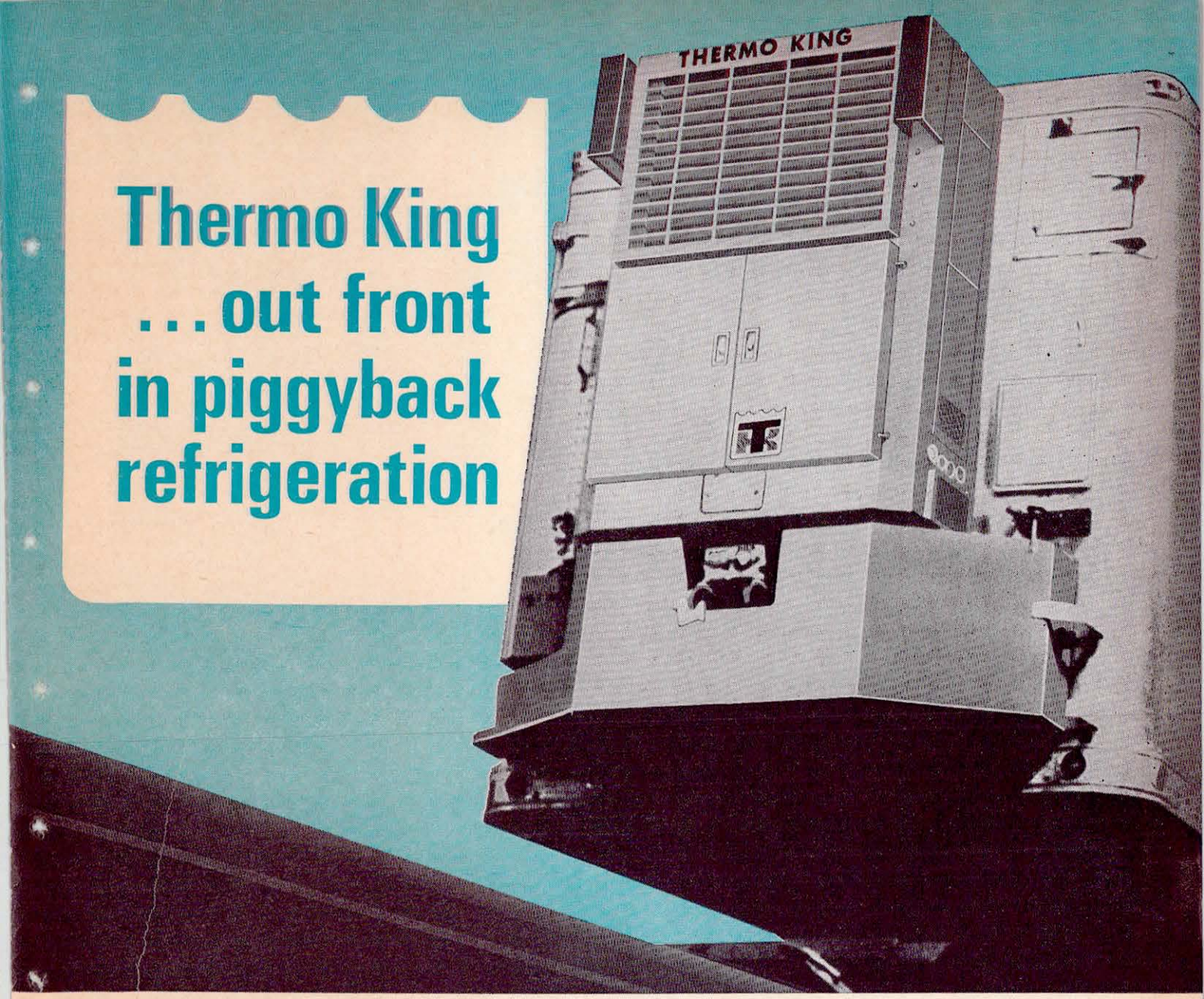
Thermo King ...out front in piggyback refrigeration

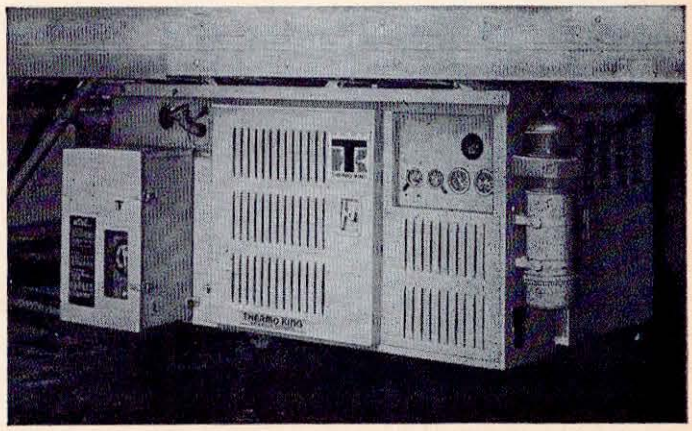


Professional piggybackers rely on special Thermo King frontmount or undermount units for perishable protection

Specially built to the rugged requirements of piggyback operations, these Thermo King refrigeration units keep perishable cargoes at constant temperatures, no matter how long the run or variable the ambients.

In these diesel-powered units, Thermo King has answered the industry need for absolute reliability with extra capacity components, engineering that provides an extra margin of safety, and maintenance features that save downtime and labor.

For information on why Thermo King units mean lowest cost per mile in refrigerated piggyback operations, write Thermo King Corp., Railroad Division, 314 W. 90th St., Minneapolis, Minn. 55420.



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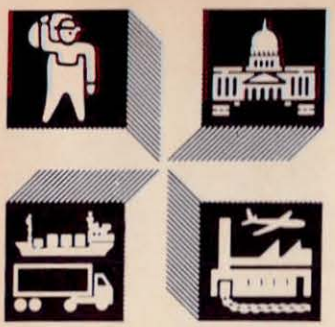

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- STATE DEPARTMENT PARTICIPATION (PLUS ALL GOV'T AGENCIES)
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THE CONTAINERIZATION WORLD WILL ASSEMBLE IN CHICAGO IN THE SPRING. Along with the Fifth International Container Services and Equipment Exposition that will showcase all goods and services related to containerization, there will be an unprecedented Symposium/Workshop. It will provide a forum for an exchange of ideas between Labor, Government, Management and the User away from the pressures of collective bargaining. The symposium is coupled with the simultaneous exhibition of equipment, components, services and systems involved with containerization. It ushers in the 1970's with the most urgent event ever related to containerization. Intermodal transportation, computer systems, container handling equipment manufacturers and distributors, banks, insurors, freight forwarders, customs house brokers, shipbuilders, ports, allied industries, container manufacturing and leasing, government bodies, trade associations and trade publications — all will be represented. You should be too!

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INDUSTRIAL TRAFFIC

John A. Barrett, vice president—merchandise traffic, **Norfolk & Western,** Roanoke, Va., has been elected president, **National Freight Traffic Association,** succeeding **O. H. Miller,** vice president, **Scott Paper Co.**

Roy E. Olson, assistant manager, traffic department, **Shell Oil Co.,** New York, has been appointed director of transportation, **American Paper Institute,** succeeding **Grant Arnold,** who resigned to join the **Ethyl Corp.** in Baton Rouge, La.

Donald D. Spurr has been appointed manager of distribution services, Industrial Truck Division, **Eaton Yale & Towne Inc.,** Cleveland. Mr. Spurr was formerly manager of service.

Raphael J. Janer has joined the traffic and distribution consulting firm of **Denenholz & Moroney, Inc.,** New York, as vice president—marketing. Mr. Janer was formerly senior traffic manager, **American Short Line Railroad Association,** Washington, D.C.

Henry A. Wallace has been appointed traffic and transportation analyst, **Richardson Co.,** Melrose Park, Ill. Mr. Wallace was formerly with **U.S. Gypsum Co.**

Connecticut Department of Transportation
60 Washington Street
Hartford, Connecticut 06115

Metropolitan Transportation Authority
1700 Broadway
New York, New York 10019

Sealed proposals for the furnishing and delivery of up to 144 high-speed electric passenger rail cars for use in the New Haven Service of the Penn Central Transportation Company will be received by the Connecticut Department of Transportation and the Metropolitan Transportation Authority at the office of the Metropolitan Transportation Authority at the above address until 2 p.m., Eastern Time, on June 23, 1970, at which time they will be opened and read in the presence of all bidders desiring to attend. Firms wishing to bid must bid on both Contracts. They must purchase copies of the two sets of Contract Documents, each at $25.00 per set, by written request addressed to the Department and the Authority, c/o Louis T. Klauder and Associates, 2132 Philadelphia National Bank Building, Philadelphia, Pa. 19107.

Bidders are advised that the Connecticut Department of Transportation Contract is subject to a financial assistance agreement between the Department and the United States Department of Transportation. The Metropolitan Transportation Authority Contract is subject to two financial assistance agreements, one between the Authority and the New York State Department of Transportation, and the other between the Authority and the United States Department of Transportation.

Connecticut Department of Transportation
Metropolitan Transportation Authority

Market Outlook

CARLOADINGS

Loadings of revenue freight in the week ended March 21 were not available when this issue of Railway Age went to press.

REVENUE FREIGHT CARLOADINGS

Commodity	Mar. 14 week	Mar. 7 week	Feb. 28 week
Grain	26,895	26,803	26,123
Farm products	13,611	12,865	15,496
Metallic ores	20,942	20,601	20,548
Coal	101,205	98,583	105,635
Crushed stone, gravel & Sand	22,904	21,467	20,085
Grain mill products	19,806	19,547	18,493
Nonmetallic minerals	9,336	9,183	8,722
Food & kindred products	26,119	26,275	25,109
Primary forest products	26,164	25,195	24,812
Lumber & wood products (except furniture)	13,994	14,656	14,131
Pulp, paper & allied products	24,477	25,044	25,047
Chemicals & allied products	33,104	32,315	30,668
Petroleum products	10,677	10,547	10,282
Stone, clay & glass products	19,316	18,731	17,256
Coke	9,461	9,051	8,365
Metals & products	27,932	28,347	27,957
Motor vehicles & equipment	21,867	21,370	22,801
Waste & scrap materials	16,660	15,973	15,569
Forwarder & shipper assn. traffic	7,557	7,402	7,916
All other carloads	67,573	67,109	66,403
LCL traffic	1,171	1,123	1,266
Total cars loaded	520,711	512,187	512,684

CUMULATIVE TOTAL, 11 WEEKS	1970	1969	1968
	5,411,468	5,480,582	5,565,596
Estimated revenue ton-miles (billions) 11 weeks	156.0	154.2	152.2

FREIGHT-TRAIN CARS

● *Grand Trunk Western.*—Will take delivery on 456 new box cars during 1970. Under lease, GTW will acquire 300 50-ft, 70-ton box cars, equipped with cushioning devices, from Pullman-Standard; and 30 50-ft, 70-ton insulated box cars equipped with cushion underframes from North American Car. P-S deliveries are scheduled for June; North American deliveries were to be completed in March. GTW will also get 35 50-ft, 70-ton cars equipped with cushion underframes from Berwick Forge and Fabricating for August delivery. Deliveries were to be completed in March on an order for 91 60-ft cars with cushion underframes from ACF Industries.

● *Orders and deliveries.*—Orders were placed for 2,032 new freight cars in January, compared with 9,022 in December 1969 and 7,768 in January 1969. In addition, 2,388 cars were ordered rebuilt in January compared with 550 in the preceding month and 310 in January 1969. New cars on order and undelivered on February 1 totaled 44,201, compared with 46,751 on January 1 and 34,989 on Feb. 1, 1969.

FREIGHT-TRAIN CARS ORDERED AND DELIVERED AND BACKLOG OF ORDERS

	Jan. 1970	Dec. 1969	Jan. 1969
ORDERED			
To be built new by carbuilders	2,032	4,753	4,340
To be built new in R.R. shops	0	4,269	3,428
To be built new—total	2,032	9,022	7,768
To be rebuilt	2,388	550	310
TOTAL ORDERED	**4,420**	**9,572**	**8,078**
DELIVERED			
Built new by carbuilders	3,484	4,640	3,853
Built new in R.R. shops	798	1,125	629
Built new—total	4,282	5,765	4,482
Rebuilt	542	801	719
TOTAL DELIVERED	**4,824**	**6,566**	**5,201**

ON ORDER AND UNDELIVERED	Feb. 1, 1970	Jan. 1, 1970	Feb. 1, 1969
To be built new by carbuilders	33,756	35,508	24,990
To be built new in R.R. shops	10,445	11,243	9,999
To be built new—total	44,201	46,751	34,989
To be rebuilt	5,432	3,586	4,215
TOTAL ON ORDER	**49,633**	**50,337**	**39,204**

● *February bad order ratio 0.5% higher than last year.*—Class I roads on Feb. 1, 1970, owned 1,437,775 freight cars, 18,199 fewer than on Feb. 1, 1969, according to AAR report summarized below. Bad order ratio was 0.5% higher than on Feb. 1, 1969.

	Feb. 1, 1970	Feb. 1, 1969	Change
Car ownership	1,437,775	1,455,974	−18,199
Waiting repair	81,544	76,036	+ 5,508
Repair ratio	5.7%	5.2%	+ 0.5%

CAR OWNERSHIP

● *Serviceable cars.*—Revenue freight cars in serviceable condition owned by Class I railroads on Feb. 1 totaled 1,356,231, compared with 1,379,938 on Feb. 1, 1969, according to most recent AAR Car Service Division report. Estimated total ownership of all railroad- and privately-owned freight cars on Feb. 1 was 1,786,558 (average capacity: 65.69 tons), compared with 1,795,864 (average capacity: 64.50 tons), on Feb. 1, 1969.

ESTIMATED OWNERSHIP—ALL REVENUE FREIGHT CARS

(Feb. 1, 1970 vs. Feb. 1, 1969)

		Box	Covered Hopper	Gondola	Hopper	Flat	Refrig.	All Others	TOTAL
Class I	1970	546,342	126,012	191,949	393,713	71,514	55,281	52,964	1,437,775
	1969	550,144	122,494	198,433	407,191	68,744	52,878	56,090	1,455,974
RRO&C Refgs.*	1970	0	0	0	0	0	45,313	0	45,313
	1969	0	0	0	0	0	46,948	0	46,948
All Other Private	1970	1,064	33,579	2,062	2,749	48,554	15,050	176,444	279,502
	1969	1,109	30,205	2,055	2,155	43,599	15,477	174,256	268,856
Class II & S&T Cos.†	1970	8,570	706	4,290	7,314	542	1,459	1,087	23,968
	1969	8,048	715	4,697	7,862	580	1,018	1,166	24,086
GRAND TOTAL	1970	555,976	160,297	198,301	403,776	120,610	117,103	230,495	1,786,558
	1969	559,301	153,414	205,185	417,208	112,923	116,321	231,512	1,795,864

* Railroad owned and controlled refrigerator car lines.
† Class II railroads and switching and terminal companies.

NEW FACILITIES

● *Penn Central.*—Will acquire 12 tampers and 12 ballast regulators, at a total cost of more than $1.1 million, for work on its New York-Washington line.

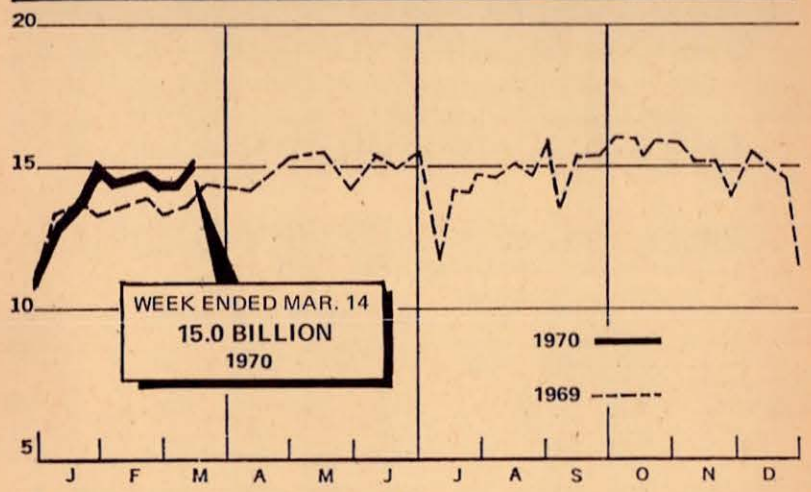
● *Union Pacific.*—Will build new container-handling terminals at Denver and Seattle, at a total cost of more than $1.6 million. Both terminals will be equipped with side-loading/unloading machines capable of handling either trailers or containers. At Denver, UP will have paved parking area for 250 trailers or containers and track space for 54 rail cars. Similar facilities will be built at Seattle, where about two miles of yard track will be relocated.

Current Statistics

Net Income Class 1 Roads	
12 months, 1969	$570,000,000
12 months, 1968	511,000,000
New freight cars on order	
Feb. 1, 1970	44,201
Feb. 1, 1969	34,989
New freight cars delivered	
1 mo. 1970	4,282
1 mo. 1969	4,482
Serviceable cars	
Feb. 1, 1970	1,356,231
Feb. 1, 1969	1,379,938

RAIL FREIGHT TRAFFIC TRENDS

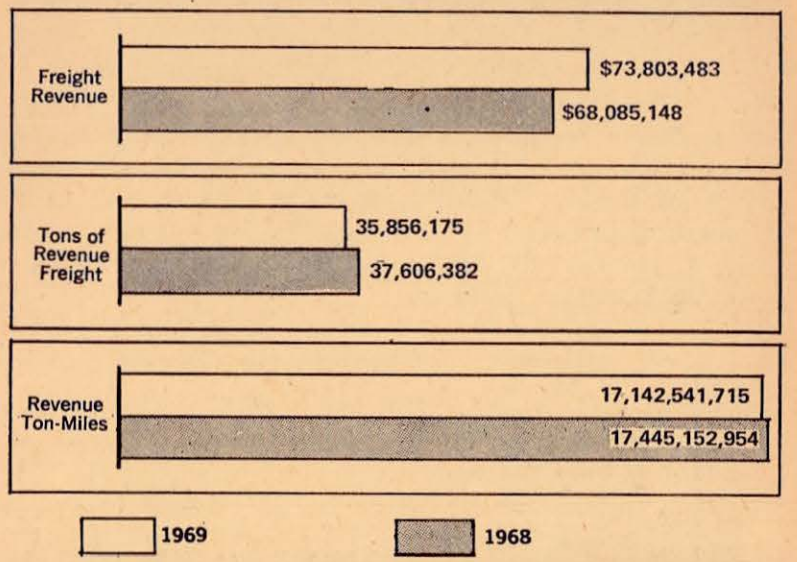
BILLION TON MILES (Estimated)



Source: Association of American Railroads

CLASS A and B WATER CARRIERS

THIRD QUARTER REVENUE AND TRAFFIC 1969 vs. 1968



Source: Bureau of Accounts, ICC. Class A and B water carriers are those having, respectively, operating revenues exceeding $500,000, and exceeding $100,000 but less than $500,000.

All statistics compiled, computed and formatted by TRADE*QUOTES Division of National Information Services, Inc. Cambridge, Mass. 02139

RAILWAY AGE
Stock Report

TWO WEEKS ENDED MONDAY, MARCH 23, 1970

	PRICE 1970 RANGE (1)	PRICE 1 YEAR AGO	PRICE CLOSE MAR 23 1970	PRICE 2 WKS NET CHNG	PRICE 2 WKS PCT CHNG	VOLUME 2 WKS IN 00'S	VOLUME LAST 2 WKS 00'S	VOLUME AVGE IN 00'S (2)	INDEX PRICE JAN 2 1970	INDEX CHNG TO DATE (1)	INDEX PCT CHNG
RAILROADS											
BURLINGTON NORTHERN	39- 41	N/A	39 1/8	-1 7/8	-4.5	739	N/A	739	40 5/8	-2	-3.6
CHESAPEAKE & OHIO	52- 59	69 1/8	54 1/2	+1 5/8	+3.0	223	320	271	54 3/4	0	-0.4
CHIC MILW ST.P & PAC	18- 19	45 3/4	17 5/8	-1 3/8	-7.2	229	792	480	16 3/8	+1	+7.6
CHIC, ROCK ISL & PAC	19- 22	26 3/4	21 1/4	+ 5/8	+3.0	59	30	50	19 3/4	+2	+7.5
DERECO PFD B	52- 59	68 1/8	55 7/8	-1 7/8	-3.2	57	37	46	53 3/4	+2	+3.9
GULF, MOBILE & OHIO	65-175	99 1/4	69 1/2	-4 1/2	-6.0	26	38	33	63 1/2	+6	+9.4
LOUISVILLE & NASHVLL	70- 74	88	70 3/4	- 3/4	-1.0	1	74	91	71 1/4	-1	-0.7
MISSOURI PACIFIC A	63- 68	79 1/2	66	- 1/2	-0.7			12	63 1/4	+3	+4.3
NORFOLK & WESTERN	78- 85	98	80 3/8	-3 3/8	-4.0	1958	-	736	83 1/2	-3	-3.7
READING CO	11- 17	19 3/4	12 1/8	-2 1/8	-14.9	77	183	140	12 1/4	0	-1.0
ST LOUIS-SAN FRNCSCO	40- 45	48 7/8	44 1/4	+ 1/4	+0.5	96	115	116	40 3/8	+4	+9.5
SOO LINE	25- 31	39 3/4	30	- 3/8	-1.2	62	69	58	27 1/4	+3	+10.0
SOUTHERN	44- 50	58 5/8	47 7/8	-1 1/8	-2.2	781	324	450	46 3/4	+1	+2.4
WESTERN PACIFIC	15- 23	37 3/4	17	- 5/8	-3.5	349	145	360	19 1/2	-3	-12.8
DIVERSIFIED COMPANIES											
CANADIAN PACIFIC	63- 75	80 3/4	64 1/2	-2 1/2	-3.7	548	185	197	73 1/2	-9	-12.2
ILLINOIS CENTRAL IND	26- 31	38 3/4	29 3/8	- 1/2	-1.6	249	2926	1036	30 5/8	-1	-4.0
KATY INDUSTRIES	10- 14	23 1/2	11 7/8	- 7/8	-6.8	160	624	328	10 5/8	+1	+11.7
NORTHWEST INDUSTRIES	12- 16	28 3/8	13 1/2	-1 3/8	-9.2	627	1691	1595	13 3/4	0	-1.8
PENN CENTRAL CO	23- 35	55	23 1/2	-1 3/4	-6.9	1584	1780	2460	29 1/2	-6	-20.3
RIO GRANDE INDUST	11- 14	N/A	12	- 7/8	-6.7	172	270	160	11 3/4	0	+2.1
SANTA FE INDUSTRIES	23- 26	32 7/8	23 7/8	-1 1/8	-4.5	1915	1698	1492	25	-1	-4.5
SOUTHERN PACIFIC CO	31- 37	39 1/4	34 1/4	+ 1/8	+0.3	792	1395	1013	33 1/4	+1	+3.0
UNION PACIFIC CORP	40- 48	N/A	41 7/8	-2 1/8	-4.8	507	982	702	46	-4	-8.9
MOTOR CARRIERS											
ASSOCIATED TRANSPORT	9- 12	17 3/4	9 1/8	+ 1/4	+2.8	45	53	88	11 3/4	-3	-22.3
CONSOL FREIGHTWAYS	24- 30	38 1/2	28 3/8	+ 3/4	+2.7	883	387	723	28 1/2	0	-0.4
MC LEAN TRUCKING CO	33- 45	54	40	+1 1/2	+3.8	122	36	185	44 3/8	-4	-9.8
OVERNITE TRANSPORT'N	18- 22	27 1/4	21 5/8	+1 7/8	+9.4	127	63	76	18 5/8	+3	+16.1
PAC INTERMTN EXPRESS	12- 16	28 1/4	14 1/2	- 1/4	-1.6	74	235	178	15 3/4	-1	-7.9
ROADWAY EXPRESS	20- 27	28 1/4	22 1/2	-1 1/4	-5.2	(3)	-	-	26 1/2	-4	-15.0
TRANSCON LINES .	9- 13	20 3/8	12 5/8	+1 3/4	+16.0	511	355	537	11 1/2	+1	+9.7
YELLOW FRGHT SYSTEM	22- 27	77	26 1/2	+2	+8.1	(3)	-	-	25 1/2	+1	+3.9
AIRLINES											
AMERICAN AIRLINES	21- 31	32 1/8	26 3/8	- 1/8	-0.4	1536	2433	5131	31	-5	-14.9
DELTA AIR LINES	27- 35	33 1/2	32 7/8	- 1/4	-0.7	1179	2105	1923	30 3/4	+2	+6.9
EASTERN AIR LINES	12- 19	25 1/4	16 5/8	-1 3/8	-7.6	3372	4328	3183	15 1/2	+1	+7.2
TRANS WORLD AIRLINES	18- 26	39	17 7/8	-1 7/8	-9.4	1308	1965	2010	23 7/8	-6	-25.1
UAL INC (UNITED)	20- 28	38 3/4	23 1/8	-1 1/2	-6.0	1276	2011	2753	28	-5	-17.4

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Rebuilt yard will speed rail traffic

(Continued from page 53)

example, showed an increase of nearly 12% in 1969. Carloadings for 1969 totaled 7,803, compared with 6,982 in 1968. The Inland traffic is divided between South Dayton and Needmore. Needmore takes traffic from Inland's Vandalia plant which in July will go from a 15-carloadings-a-day output to 50 a day. The railroad, in fact, is adding 1,000 feet of track at the Vandalia plant.

Another General Motors division, Frigidaire, showed an 18% traffic increase in 1969. The Dayton Steel Foundry produced a 14.5% increase. A third GM division, Delco Moraine, increased its traffic by 50%. And Chrysler Corporation's Air-temp Division added 64% more traffic in 1969.

● **Biggest customer.** The railroad's biggest customer, McCall Printing Co., showed a 4.5% carloading increase in 1969 (8,287, compared with 7,926 in 1968). McCall's presents a good example of an inbound-traffic situation that will be aided by the Needmore expansion.

Although traffic patterns are set largely by the mill suppliers of paper (with an up-and-down delivery schedule), the extra Needmore tracks will help. The railroad will be able to meet the pattern better. "Paper becomes damaged easily," says Lowell E. Brumbaugh, McCall's director of purchasing and traffic. The fewer times they have to switch a carload of paper, the fewer times we're going to get a damaged load."

Many times, Brumbaugh says, McCall's may have a backup of 100 to 150 cars. "The more tracks they have, the more cars they can handle. It's certainly going to relieve our congested situation in South Dayton. We're hoping that it will eliminate the need to switch paper cars more often than necessary to pull out the cars we have ordered in."

McCall's, Brumbaugh adds, is doing its part by trying to improve communication with the mills so advance information on shipments will be available for the railroad. "We help create congestion, too," Brumbaugh admits, "and we don't help the B&O that way."

And Inland's Joseph Dorn says of the Needmore project: "I can't see where it's going to do us any harm. I would say it will cut one day of transit from our northbound traffic."

Dorn, who has been Inland traffic manager for two years, says "We've always had a problem." But the prob-

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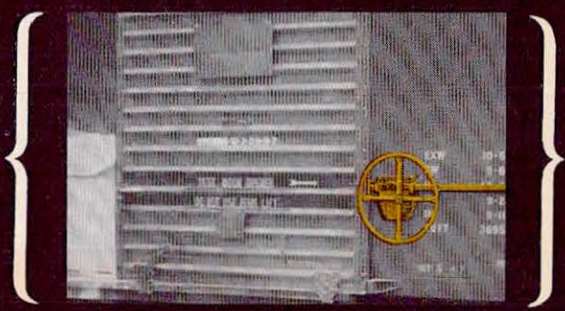

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lem, he is quick to add, was due to the railroad's lack of space not their effort to serve. "They have tried to do the job. Most of the time they have given us the service we've asked for, whenever they could do it."

● **Chrysler—an ID coup.** Another big customer, Chrysler Airtemp, may prove to be one of the railroad's biggest industrial-development coups, and an expanded Needmore will help keep it that way. Less than two years ago, Airtemp was shipping part of its production (air conditioners for automobiles, offices, and homes) from a plant in Dayton and part from a plant in Richmond, Ind., 35 miles away. The Richmond traffic was all going by truck. Now, both plants are in Dayton, and most of the air conditioners are moving on the rails. Armed with the plan for the Needmore expansion and with some choice land available for sale, the C&O/B&O representatives were able to talk Airtemp into moving. In 1969, the company produced 2,069 carloads for the railroad, compared with 1,261 in 1968. And John Nichols, Airtemp traffic manager, says: "We're increasing steadily."

What happened with Chrysler can happen again, on the acres that will be freed at Leo Street and East Dayton. Leo Street will go down to three tracks but its available land will go up to nearly 15 acres. That's where Airtemp is already located. And East Dayton will gain nearly 20 acres.

Such facts make it easy for Moorman to say: "I don't think the railroad's even scratched the surface in Dayton." ■

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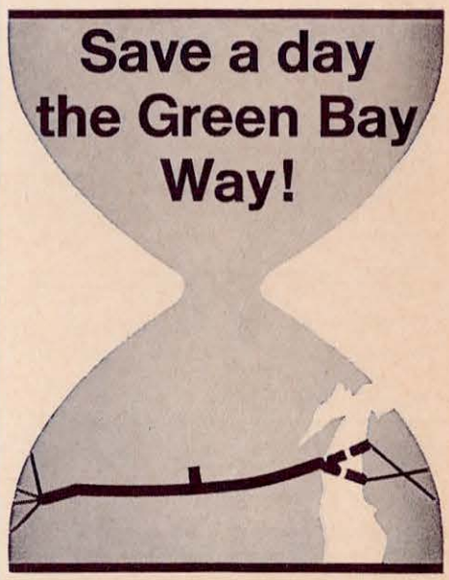

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Viewpoint

Biaggini urges a transport reform program

In the course of a year, Railway Age editors pass an eye over dozens and dozens of "Railroad Speeches." Most of them are pretty good. A few are great. Southern Pacific President Ben Biaggini has come up with a masterpiece.

To be sure, Biaggini talks about many of the things that have long been talked about. He dwells on regulation, common ownership, taxation, among other topics. But seldom has the case-for-change been stated with such clarity.

There are definite areas, he points out, where railroads themselves must act: "We must do more to overcome our own reliability problems. We must do more to agree among ourselves to change some old ways and to unite on new goals. We must do more to persuade labor to accept technological progress, in its own best interest. We must do more to rise above our tradition of equating seniority with ability and too often preferring experience over initiative. We must do more to win new business, and more of the right kind of business. We must do more to quit talking just to one another, rather than to those who should have an interest in helping us solve our problems."

Biaggini is confident of the industry's ability to take these self-help actions. His main concern is with external factors. And a key factor—perhaps the key problem—is "the persistence of a regulatory philosophy whose original purpose of protecting the public has largely given way to protecting one form of transportation or one carrier against another. The resultant preservation of the status quo has served to stifle both modal and intermodal competition, and the public suffers accordingly."

"GIVE COMPETITION A CHANCE"

A century of regulation, he declares, has produced "a national transportation system which is highly developed but inefficient in its total application." The national objective in transportation, he declares, "should be to give competition a chance to operate just as it does in other industries. Other industries have grown to maturity without being banished by law to a state of seclusion, and the general restraints against unfair competition, against combinations in restraint of trade and against monopolies have, over the years, proved sufficient in their cases to safeguard the public interest. Only the transportation industry has been consigned to a life of enforced segregation as punishment for the excesses of the entire business community in a bygone era."

Without a doubt, SP's president will get an argument. A number of other leaders, in transportation generally and in the railroad industry specifically, would not go all the way with Biaggini in his call for reform. There are many subjective definitions of "competition" and "protection," and many viewpoints on how much of the former or how little of the latter may be desirable.

Nevertheless, this eloquent and forceful statement from SP's chief deserves the closest study—in the industry, and in Washington. It may not be an exact blueprint for change. But as a position-paper, it's a standout.

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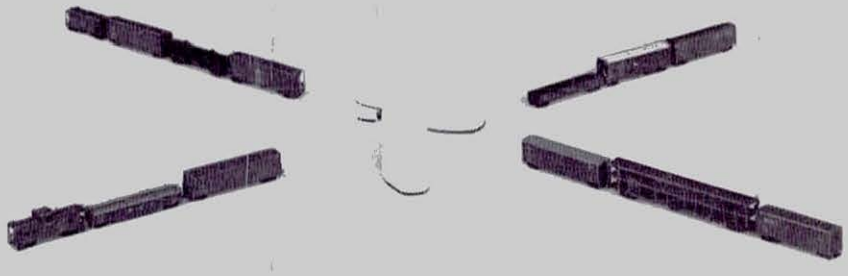

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